



CENTRAL BANK

of BELIZE



MONTHLY ECONOMIC HIGHLIGHTS

AUGUST 2018

List of Acronyms and Abbreviations

Acronyms:

BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CGA	Citrus Growers Association
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
EU	European Union
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
MOF	Ministry of Finance
SIB	Statistical Institute of Belize
UHS	Universal Health Services
US	United States

Abbreviations and Conventions:

\$	the Belize dollar unless otherwise stated
bn	billion
mn	million
ps	pound solids
TC/TS	tons cane to ton sugar

Notes:

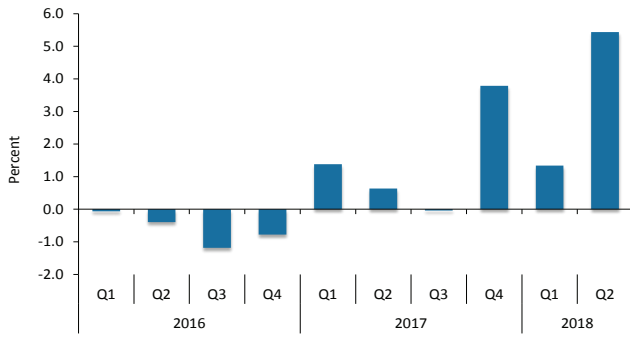
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2018 figures in this report are provisional and the figures for 2017 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2018 are based on Central Bank's forecast of annual GDP.

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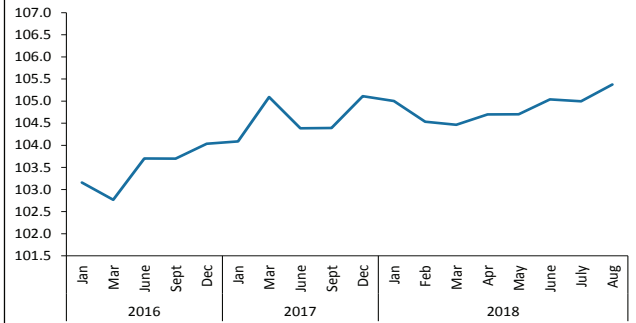
Summary of Economic Indicators

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

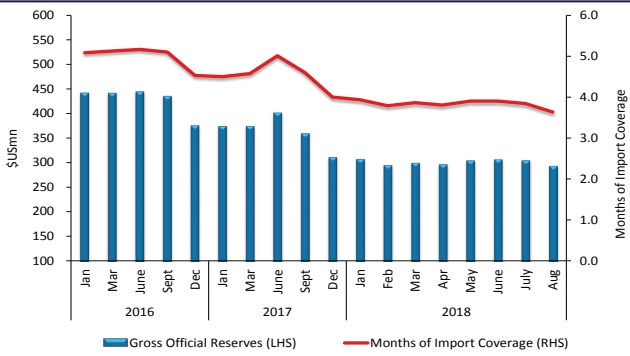


Chart IV: Current Account Balance to GDP

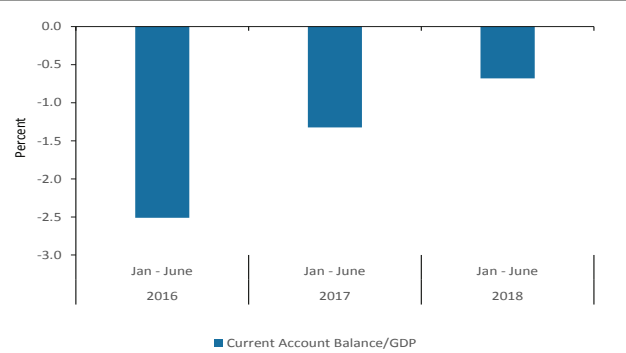


Chart V: Domestic Banks - Deposits and Loans and Advances

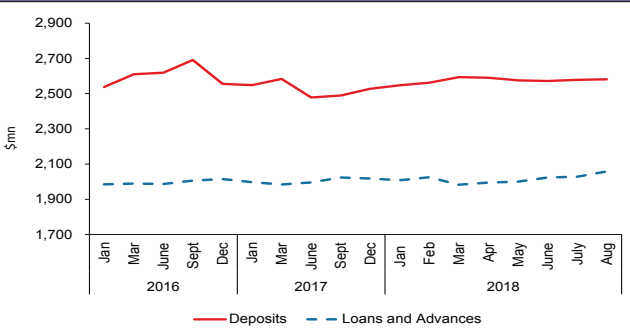
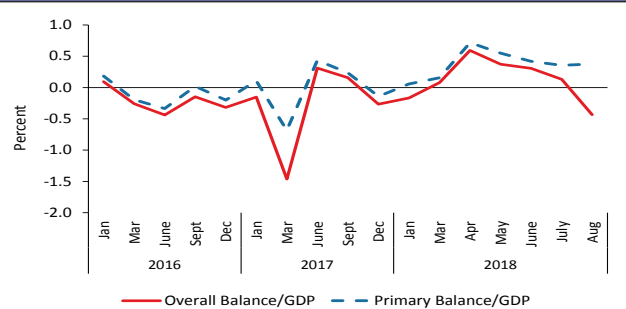


Chart VI: Primary and Overall Balances to GDP



Sources: MOF and CBB

Chart VII: Public Sector External Debt

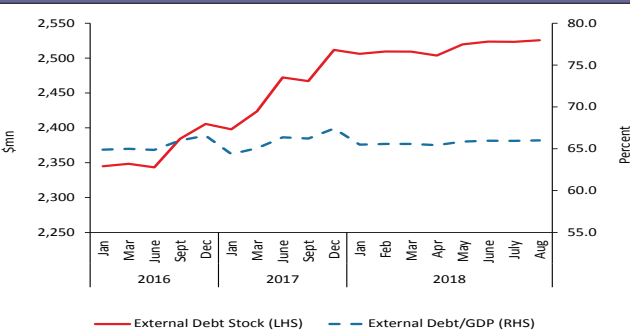
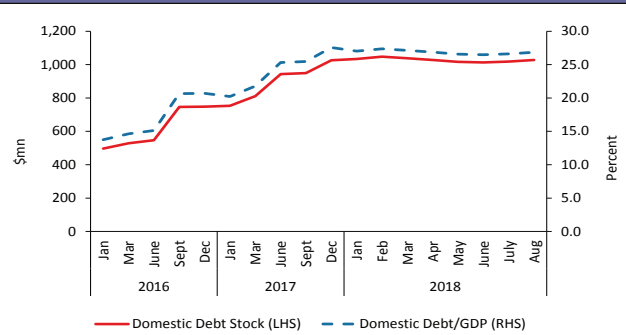


Chart VIII: Central Government Domestic Debt



Overview

- The broad measure of money supply grew by 1.6% over the first eight months of 2018, reflecting modest increases in net foreign assets and net domestic credit of the banking system, which rose by \$33.6mn and \$15.9mn, respectively.
- The upturn in net foreign assets was due to a \$73.1mn expansion in domestic banks' holdings to \$303.9mn on account of increased tourism receipts and foreign direct investments in the banana industry. In contrast, the Central Bank's net foreign assets declined by \$39.5mn to \$589.0mn, as outflows of \$184.2mn—most of which was used for servicing Government's external debt—exceeded inflows of \$145.2mn.
- The expansion in net domestic credit was attributable to a pickup in lending to the private sector and government-owned entities, which rose by \$2.9mn and \$35.2mn, respectively, while bank lending to Central Government contracted by \$22.2mn.
- Domestic banks' holdings of approved liquid assets climbed to 47.4% above the statutory requirement at the end of August, propped up by the significant growth in foreign assets. However, domestic banks' excess cash holdings fell from 128.1% at the end of December 2017 to 87.6% above the requirement, partly due to the liquidity draining effect of Treasury bills purchases during the reporting period.
- The 12-month (rolling) weighted average interest rate on new loans fell by 25 basis points to 8.81% relative to August 2017, while the corresponding interest rate on new deposits fell by 30 basis points to 1.51% compared to August 2017. Consequently, the weighted average interest rate spread widened by five basis points to 7.29%.
- Merchandise export receipts fell by 15.3% to \$273.1mn, as earnings from all major commodities contracted over the eight-month period. In contrast, gross imports (including electricity) rose by 5.3% to \$1,295.7mn due to increased spending on "*Commercial Free Zone*" (\$26.5mn) goods, "*Fuels, Lubricants and Crude Materials*" (\$24.4mn) and "*Machinery, Transport and Equipment*" (\$17.2mn).
- The robust growth pace of international visitors to Belize continued into the offseason, as stay-over arrivals and cruise ship disembarkations rose by 12.9% to 314,579 visitors and by 20.2% to 722,951 visitors, respectively, for the year to date.
- The Consumer Price Index (CPI) increased by 0.4% in August relative to July and by 0.2% on average compared to the first eight months of 2017. The inflationary trend was underpinned by increased prices for alcoholic beverages, liquid petroleum gas and health services.

-
- For the year to date, Central Government's domestic debt rose by 0.1% to \$1,027.5mn (26.8% of GDP), while the public sector's external debt rose by 0.5% to \$2,525.6mn (66.0% of GDP). Notwithstanding, the total public sector debt-to-GDP ratio narrowed from 95.0% of GDP at December 2017 to 92.8% of GDP at the end of August due to a modest lift in projected GDP growth.

Money and Credit

- Broad money supply rose by 1.6% during the first eight months of 2018, driven by modest increases in the net foreign assets and net domestic credit of the banking system, which rose by 3.9% and 0.6%, respectively.
- The net foreign assets of domestic banks grew by \$73.1mn over the eight-month period to \$303.9mn, buoyed by marked increases in tourism earnings and other service exports, as well as capital inflows related to Fyffe’s purchase of several banana farms in March.
- In contrast, the Central Bank’s net foreign assets recorded a \$25.4mn decline in August, following the second semi-annual interest payment of \$26.0mn on the 2034 bond. For the year to date, Central Bank’s net foreign assets fell by \$39.5mn to \$589.0mn, as foreign currency outflows of \$184.2mn exceeded inflows of \$145.2mn. Majority of outflows (88.5%) went to Central Government, primarily to service its external debt obligations. On the other hand, foreign currency inflows more than halved due to sharp declines in loan disbursement proceeds and sugar export receipts, as well as the discontinuation of foreign cheque purchases from domestic banks. Consequently, the gross official international reserves declined from 4.0 months of merchandise imports in December 2017 to 3.6 months at the end of August.
- Net domestic credit rose by \$15.9mn over the year to date due to increased lending to state-owned enterprises and private sector entities, as Central Government borrowings fell. Net credit to Central Government rose by \$19.0mn in August to meet external debt obligations but

Chart 1.1: Net Foreign Assets and Net Domestic Credit of the Banking System

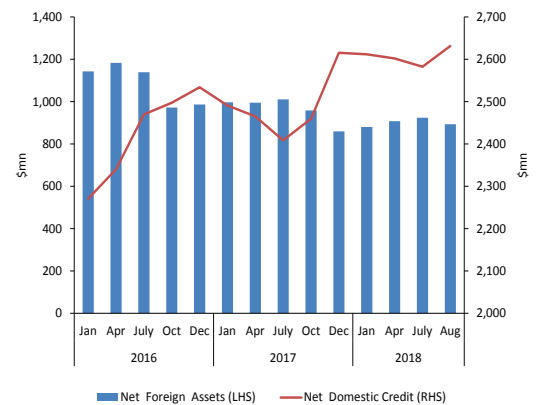
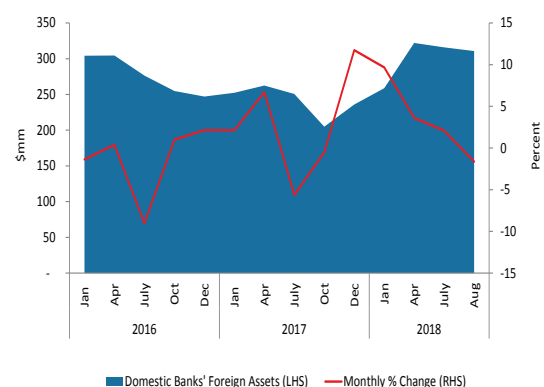


Table 1.1: Central Bank's Foreign Asset Flows

	\$mn	
	Jan - Aug 2017	Jan - Aug 2018
Total Inflows	250.1	145.2
Loan Disbursements	123.5	55.6
Sugar Receipts	60.6	44.0
Banks	24.3	0.8
Other	41.8	44.8
Total Outflows	261.5	184.2
Central Government	211.8	163.0
Banks	16.9	0.0
Other	32.8	21.2

Chart 1.2: Domestic Banks' Foreign Assets



fell by \$22.2mn for the year to date. The overall decline was attributable to a \$17.6mn boost in Central Government's deposits with banks, despite an uptick in its overdraft facility at the Central Bank by \$1.5mn to \$48.7mn, which represented 57.1% of the statutory limit. Meanwhile, net credit to other public sector entities climbed to \$35.2mn, mainly due to increased disbursements to Belize Telemedia Limited (BTL) for its network expansion project.

- A \$24.3mn expansion in lending during the month turned net credit to the private sector up by \$2.9mn over the reporting period. Increases in net loan disbursements for manufacturing (\$29.5mn), construction (\$17.5mn), merchandise trade (\$12.3mn) and personal loans (\$5.1mn) were dampened by net repayments on loans for agriculture (\$69.8mn) and marine production (\$1.8mn). Loan write-offs amounted to \$31.9mn, which was less than half of the \$64.6mn recorded in the same period of 2017.
- Lending by the five largest credit unions expanded by \$1.7mn in August, softening the year-to-date decline to \$9.4mn. The downward trend reflected reduced net lending for personal loans (\$7.9mn), grain production (\$3.1mn) and construction (\$4.0mn), which were partially offset by increased disbursements for real estate (\$5.2mn) transport (\$0.7mn) and marine products (\$0.5mn).
- The upturn in domestic banks' foreign assets, underpinned the \$24.4mn expansion in excess statutory liquid holdings to \$293.4mn, which stood at 47.4% above the statutory requirement. In contrast, domestic banks' excess cash holdings contracted by \$84.0mn to

Chart 1.3: Change in Domestic Banks' Loans Jan - Aug 2018

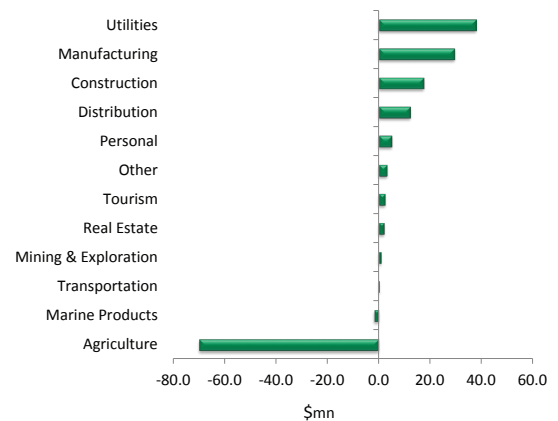


Chart 1.4: Loans for Top Five Credit Unions

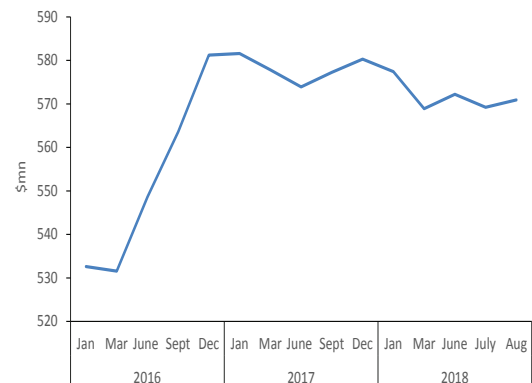
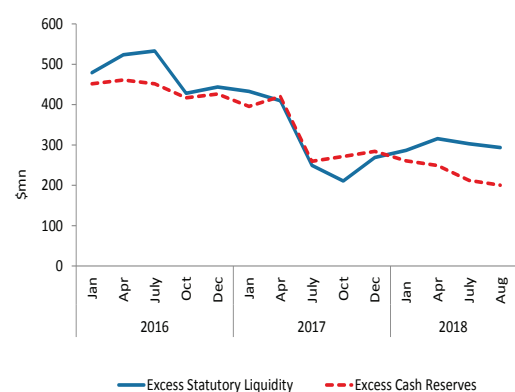


Chart 1.5: Excess Statutory Liquidity



\$200.1mn (87.6% above the legal requirement), dragged down by increased Treasury bill purchases over the period.

- The 12-month (rolling) weighted average interest rate on new loans fell by seven basis points during the month and by 25 basis points compared to August 2017 to 8.81%. The year-on-year decline was due to rate reductions of 75 and 16 basis points on loans for commercial and personal purposes, respectively. These outweighed smaller rate increases of 41 and one basis point on loans for residential construction and other purposes, respectively.
- The 12-month (rolling) weighted average interest rate on new deposits rose by one basis point in August and declined by 30 basis points relative to August 2017 to 1.51%. The latter resulted as rate declines of 66 and one basis point on savings/chequing and demand deposits, overshadowed rate increases of 45 and one basis point on savings and time deposits respectively. Consequently, the weighted average interest rate spread widened by five basis points to 7.29%.

Chart 1.6: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans

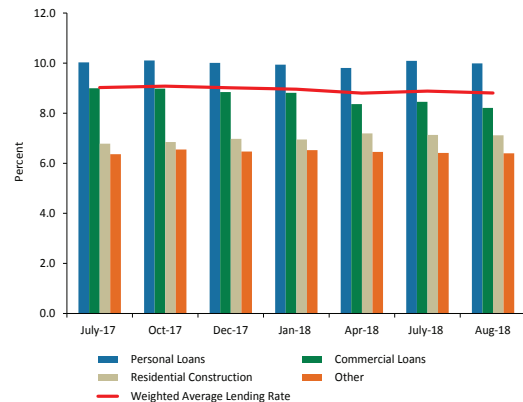
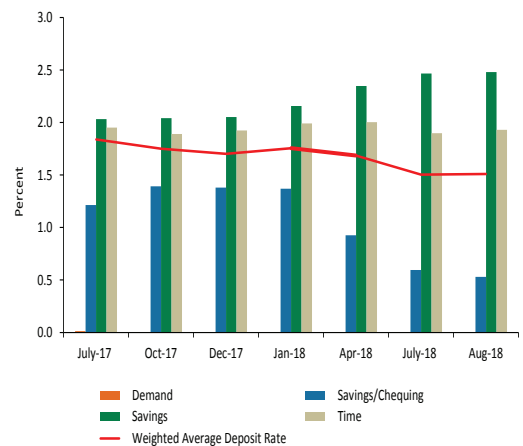


Chart 1.7: Domestic Banks' Weighted (Rolling) Average Interest Rates on Deposits



Real Sector Developments

- Outturns of sugarcane, sugar and conch increased during the first eight months of 2018, while production of all other major commodities declined.
- Export receipts contracted by 15.3% to \$273.1mn, as earnings from all major export commodities fell.
- Gross imports (including electricity) increased by 5.3% to \$1,295.7mn due to higher outlays on “*Commercial Free Zone*” goods (\$26.5mn), “*Fuels, Lubricants and Crude Materials*” (\$24.4mn) and “*Machinery, Transport and Equipment*” (\$17.2mn), which were partly offset by reduced spending on “*Manufactured Goods and Other Manufactures*” (\$6.8mn) and “*Oils, Fats and Chemicals*” (\$4.5mn).
- Stay-over arrivals rose by 12.9% to 314,579 visitors for the year to date, supported by increased air lift, growth in key source markets and sustained marketing efforts. In addition, cruise ship disembarkations expanded by 20.2% to 722,951 visitors due to 40 additional port calls to the Belize City and Harvest Caye ports combined, which totalled 263 ships.
- The Consumer Price Index (CPI) increased by 0.4% in August relative to July and by 0.2% on average for the first eight months of 2018 compared to the same period of 2017. The increase in price level was mostly due to higher costs of liquid petroleum gas, alcoholic beverages and health services, which drove up the sub-indexes for “*Housing, Water, Electricity, Gas, and Other Fuels*”, “*Alcoholic Beverages and Tobacco*” and “*Health*” by 0.5%, 3.3%, and 2.8%, respectively. The upward momentum

Table 2.1: Production of Main Domestic Exports

	Jan - Aug 2017	Jan - Aug 2018
Sugarcane Deliveries (long tons)	1,499,066	1,532,424
Sugar (long tons)	161,545	161,926
Molasses (long tons)	52,560	48,155
Bananas (metric tons)	56,036	50,135
Citrus Deliveries (boxes)	3,332,773	2,496,901
Citrus Juices ('000 ps)	19,775	14,343
Marine Exports ('000 lbs)	1,989	1,567
Petroleum (barrels)	252,010	206,075

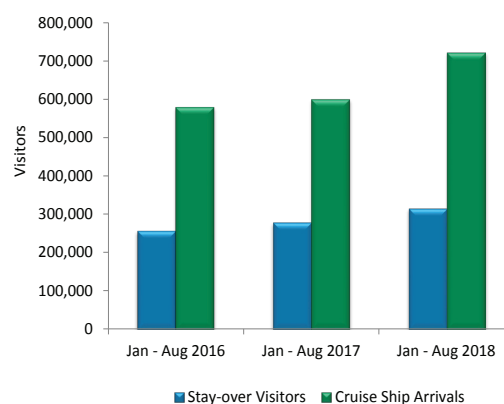
Sources: BSI, Santander Group, BGA, CPBL, Geology & Petroleum Department

Table 2.2: Main Domestic Exports

	\$mn	
	Jan - Aug 2017	Jan - Aug 2018
Sugar	110.2	85.9
Molasses	7.9	6.6
Citrus	44.3	41.2
Bananas	59.0	49.9
Petroleum	16.3	15.8
Marine Exports	25.0	23.0
Other Domestic Exports	59.7	50.8
Total	322.4	273.1

Sources: BSI, BGA, CPBL, SIB, Geology and Petroleum Department

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

was slowed by price declines for meat, coffee, tea, cocoa and select vegetables in “*Food and Non-Alcoholic Beverages*”, which inched down by 0.5% , and a 1.1% dip in “*Recreation and Culture*”.

Sugarcane and Sugar

- With the 2017/2018 sugarcane harvest ending on 27 June, there were no sugarcane deliveries nor sugar production during the month.
- Sugar export volume expanded by 6.1% to 123,289 long tons for the first eight months of the year, but sugar receipts declined by 22.1% to \$85.9mn. The latter reflected a significant price decline for raw sugar on the European Union (EU) market following the abolition of EU sugar production quotas at the end of September 2017. The average unit price received on the EU market fell closer in line with world market prices, which was down by 29.0% to US\$0.15 per pound relative to the same eight-month period of 2017. Majority of sugar exports went to the EU (89.3%), while the remainder was sold to the US (8.8%), CARICOM (1.8%) and Canada (0.1%).

Citrus

- The 2017/2018 citrus crop year ended on 13 June, and so there were no deliveries of citrus fruit nor production of citrus juices in August.
- Citrus juice exports declined by 7.6% to 12.6mn ps, while earnings contracted by 7.0% to \$41.2mn. The smaller decline in revenue was due to more favourable prices for citrus juices on CARICOM and EU markets, as the average unit price for orange concentrate on the US market tumbled by 9.8% due to increased supply from Brazil.

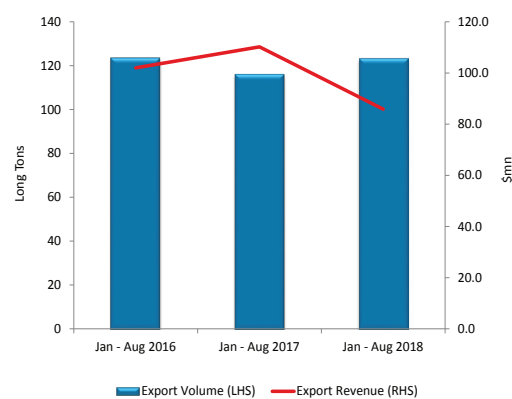
Table 2.3: Gross Imports by Standard International Trade Classification⁽¹⁾

	\$mn		
	Jan - Aug 2016	Jan - Aug 2017	Jan - Aug 2018
Food, Beverages and Tobacco	179.8	166.2	171.7
Fuels, Lubricants and Crude Materials	164.1	211.5	235.8
Of which: Electricity	17.0	33.5	34.5
Oils, Fats and Chemicals	121.5	133.4	129.0
Manufactured Goods and Other Manufactures	270.0	268.7	262.0
Machinery, Transport and Equipment	318.7	244.5	261.7
Other Goods	2.9	2.6	2.8
Export Processing Zones	34.0	25.1	28.0
Commercial Free Zone	191.6	178.4	204.8
Total	1,282.6	1,230.4	1,295.7

Source: SIB

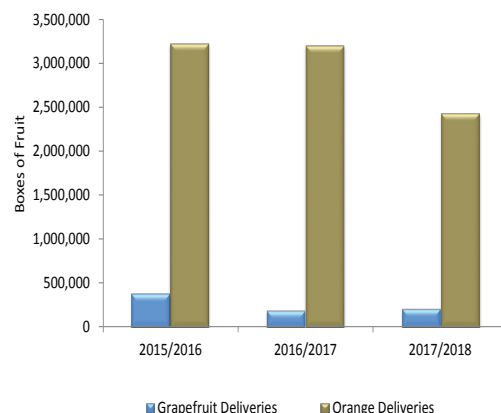
⁽¹⁾ Imports are valued at cost, insurance and freight

Chart 2.2: Sugar Exports



Sources: BSI and Santander Group

Chart 2.3: Citrus Deliveries



Sources: CGA and CPBL

Banana

- Banana exports for the year to date contracted by 10.5% to 50,135 metric tons due to unfavourable weather in late 2017 and early 2018, while export earnings were down by 15.3% to \$49.9mn, owing to a 5.3% decline in average unit price.

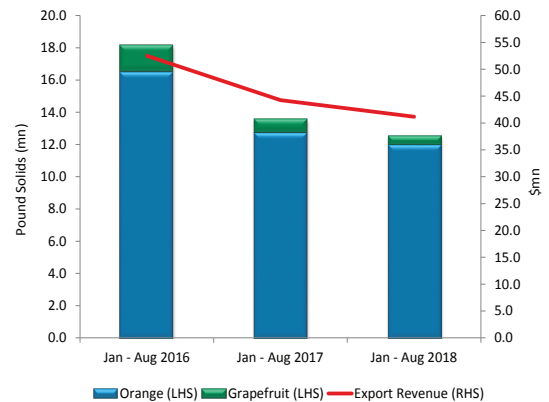
Petroleum

- Crude oil production declined by 18.2% to 206,075 barrels over the first eight months of the year, with the daily extraction rate down by 189 barrels to 848 barrels per day. The Spanish Lookout field continued its natural decline, falling by 18.7% to 203,408 barrels, while sustained field testing at Never Delay produced 2,668 barrels to date.
- Petroleum export volume fell by 33.4% to 133,048 barrels with only two shipments between January and August, compared to three in the same period of 2017. Export receipts declined by only 3.4% to \$15.8mn, as the average price per barrel rose by 45.0% from US\$40.91 to US\$59.32.

Marine Exports

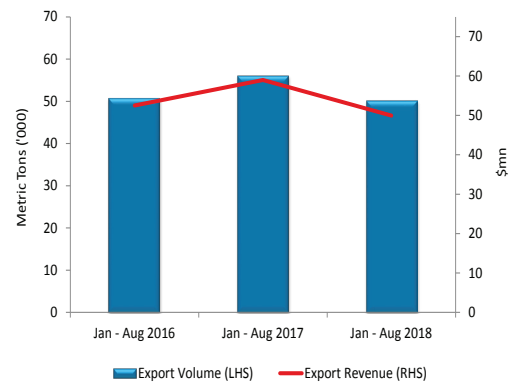
- The export volume of marine products contracted by 21.2% to 1.6mn pounds during the first eight months of the year, as declines in lobster, shrimp and other fish outweighed a 16.1% increase in conch. Lobster sales were down by 6.8% to 0.6mn pounds, while shrimp exports shrank by 32.7% to 0.5mn pounds, as the industry's struggles with early mortality syndrome persisted. Marine export receipts fell by a smaller margin of 8.1% to \$23.0mn, as modest increases in the average unit prices for lobster and conch more than offset price declines for shrimp and other fish.

Chart 2.4: Citrus Juice Export Volume and Revenue



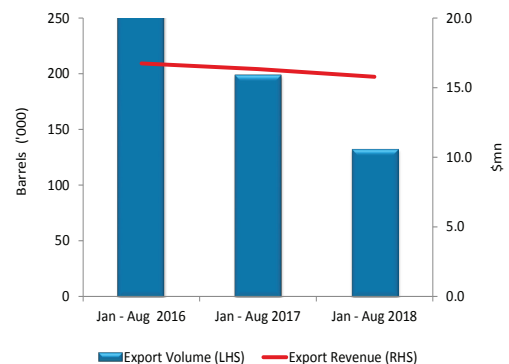
Source: CPBL

Chart 2.5: Banana Exports



Source: BGA

Chart 2.6: Petroleum Exports

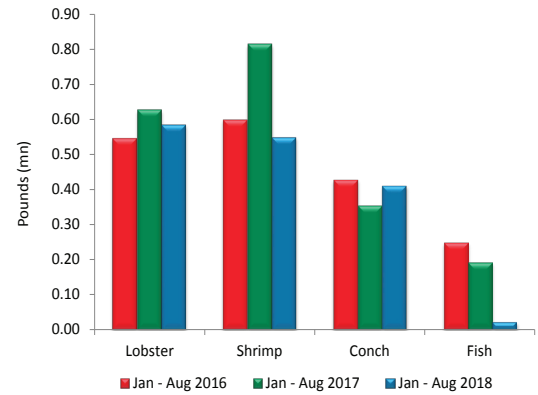


Source: Geology and Petroleum Department

Other Domestic Products

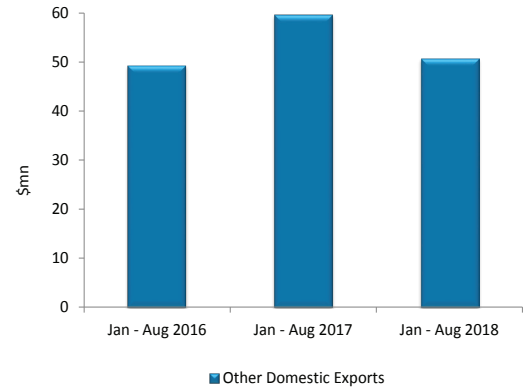
- Revenue from other domestic products decreased by 15.0% to \$50.8mn due to lower sales of orange oil (\$4.0mn), black-eyed pea (\$1.7mn), sawn wood (\$1.7mn), red kidney bean (\$1.6mn), papaya (\$0.5mn) and pulp cells (\$0.2mn), which were partly offset by upticks for grapefruit oil (\$0.7mn), pepper sauce (\$0.5mn) and corn meal (\$0.2mn).

Chart 2.7: Marine Export Volumes



Sources: SIB and CBB

Chart 2.8: Other Domestic Exports

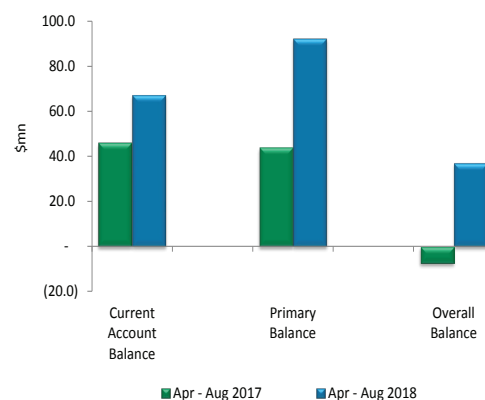


Source: SIB

Central Government Operations

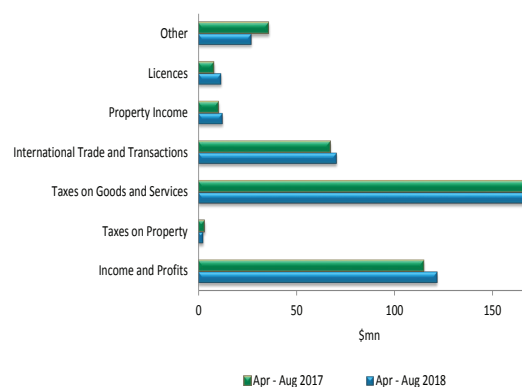
- During the first five months of the 2018/2019 fiscal year (FY), Central Government's revenue and grants increased by 8.5% to \$506.9mn, while total expenditure contracted by 1.0% to \$469.7mn. Consequently, the primary and overall balances both improved by 1.2% of GDP to surpluses of 2.4% of GDP and 1.0% of GDP, respectively, when compared to the same five-month period in the previous FY.
- Total revenue expanded by 8.5% (\$39.8mn), underpinned by modest increases in current revenue and grants. Current revenues rose by 6.5% (\$30.4mn) to \$494.5mn, as an 8.1% upswing in tax receipts outweighed a 5.1% dip in non-tax revenues. Buoyed by tax enhancements implemented at the start of this FY, tax revenues rose by \$33.1mn to \$443.2mn with increased collections of gross sales tax, import duties, social fee and taxes on income and profits. In contrast, non-tax revenues fell by \$2.8mn to \$51.3mn on account of lower receipts from the international business company and ship registries. Grants rose by \$9.1mn to \$11.3mn, lifted by receipts from the European Union for rehabilitation of the George Price Highway.
- Total expenditure fell by \$4.9mn, as a 2.1% expansion in current spending was easily outweighed by a 24.4% reduction in capital expenditure. Current outlays totalled \$427.2mn with higher spending on wages and salaries, domestic interest payments and goods and services. On the other hand, development expenditure contracted by \$13.8mn to \$42.6mn with 37.9% of total capital outlays expended on infrastructural projects.

Chart 3.1: Central Government Operations



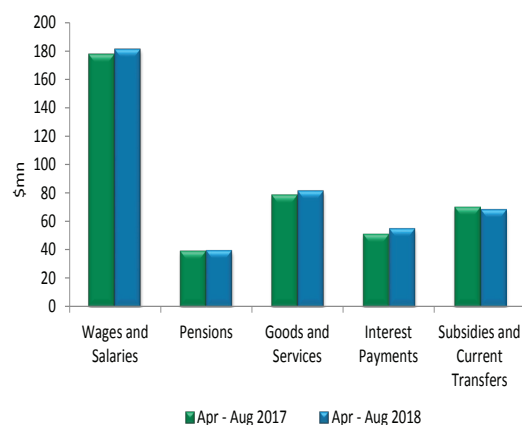
Sources: MOF and CBB estimates

Chart 3.2: Central Government Current Revenue



Sources: MOF and CBB estimates

Chart 3.3: Central Government Current Expenditure



Sources: MOF and CBB estimates

- The overall surplus of \$37.1mn reflected a \$50.8mn reduction in domestic financing, particularly from the Central Bank that was partly offset by a \$6.2mn increase in net lending from external sources.

Central Government Domestic Debt

- Central Government’s domestic debt edged up by 0.1% (\$1.0mn) to \$1,027.5mn during the first eight months of 2018, as the \$1.5mn increase in Central Government’s overdraft facility with the Central Bank, was partly offset by \$0.7mn in loan amortization payments.
- Interest payments summed to \$24.9mn. The Central Bank received \$11.5mn, including \$2.9mn on short-term credit—by way of the overdraft and Treasury bills—and \$8.6mn on longer-term Treasury notes. Domestic banks and non-bank entities received \$4.9mn and \$8.5mn, respectively, on their holdings of securities.
- Secondary market transactions included Central Bank’s sale of \$50.4mn in Treasury bills to domestic banks and non-bank entities, as well as \$8.9mn in Treasury notes to non-bank entities and domestic banks. On the primary market, Central Bank purchased \$16.0mn in one-year Treasury notes following the redemption of an equal amount of one-year Floating Rate Treasury Notes that matured in May.
- Domestic banks held the largest share of Government’s domestic debt, which rose from 39.0% at the end of December 2017 to 42.4% at the end of August. Concurrently, Central Bank’s portion narrowed from 37.8% to 33.7%, while non-bank entities’ amount inched up from 23.2% to 23.9%.

Chart 3.4: Central Government Domestic Debt

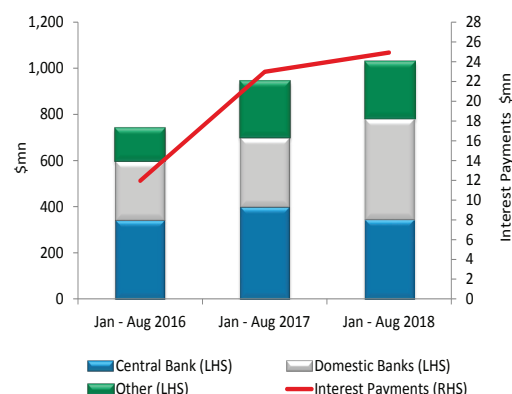
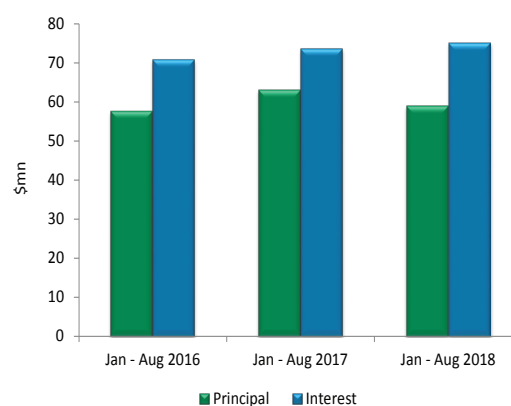


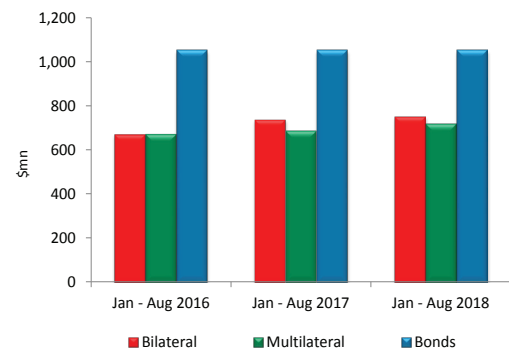
Chart 3.5: External Debt Service



Public Sector External Debt

- The public sector’s external debt rose by 0.5% (\$13.7mn) to \$2,525.6mn, as disbursements of \$74.0mn exceeded principal payments of \$59.0mn and downward valuation adjustments of \$1.2mn. The latter reflected an appreciation of the US dollar against the Euro, Kuwait Dinar and SDR.
- Loan disbursements to Central Government totalled \$59.3mn, all of which were sourced from bilateral and multilateral creditors. Bilateral lenders disbursed \$29.6mn, comprising of \$20.0mn from the Republic of China/Taiwan for budget support and \$9.6mn from the Government of Venezuela through the Petrocaribe Agreement initiative. Multilateral creditors distributed \$29.7mn, inclusive of \$14.4mn from Caribbean Development Bank (CDB) to finance various projects, such as the upgrading of the Philip S.W. Goldson Highway and Social Investment Fund programmes. In addition, the International Bank for Reconstruction and Development disbursed \$4.2mn for the climate resilience infrastructure project, while the Inter-American Development Bank allotted \$8.9mn for rehabilitation of the George Price Highway and several other projects.
- The non-financial public sector received \$9.9mn, comprising of \$0.5mn from CDB to Belize Electricity Limited and \$9.4mn from the Atlantic International Bank Limited and the International Cooperation & Development Fund to fund BTL’s network expansion. Turning to the financial public sector, CDB disbursed \$4.7mn to the Development Finance Corporation.

Chart 3.6: Public Sector External Debt



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- Amortization payments by Central Government totalled \$56.1mn, of which \$33.7mn was paid to multilateral creditors and \$21.4mn to the Republic of China/Taiwan. Loan repayments by the non-financial and financial public sector amounted to \$2.3mn and \$0.7mn, respectively.
 - Interest and other payments summed to \$75.1mn. More than half of this amount (\$52.0m) was paid to commercial creditors on the 2034 bond, while multilateral and bilateral partners received \$14.4mn and \$8.7mn, respectively.

Statistical Appendix

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

	\$mn			
	Changes During			
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
Net Foreign Assets	892.9	-30.9	33.6	-31.3
Central Bank	589.0	-25.4	-39.5	-8.0
Domestic Banks	303.9	-5.5	73.1	-23.3
Net Domestic Credit	2,631.2	48.7	15.9	-73.6
Central Government (Net)	568.8	19.0	-22.2	-79.9
Other Public Sector	41.9	5.4	35.2	-3.7
Private Sector	2,020.5	24.3	2.9	10.0
Central Bank Foreign Liabilities (Long-term)	50.2	-0.1	-0.8	2.5
Other Items (Net)	489.5	-8.4	4.2	-30.0
Money Supply (M2)	2,984.4	26.3	46.1	-77.4

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

Table A.2: Net Foreign Assets of the Banking System

	\$mn			
	Changes During			
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
Net Foreign Assets of the Banking System	892.9	-30.9	33.6	-31.3
Net Foreign Assets of the Central Bank	589.0	-25.4	-39.5	-8.0
Central Bank Foreign Assets	591.3	-25.0	-39.0	-11.2
Central Bank Foreign Liabilities (Demand)	2.3	0.4	0.5	-3.2
Net Foreign Assets of Domestic Banks	303.9	-5.5	73.1	-23.3
Domestic Banks' Foreign Assets	310.7	-5.2	74.8	-28.3
Domestic Banks' Foreign Liabilities (Short-Term)	6.8	0.3	1.7	-5.0

Table A.3: Net Domestic Credit

		\$mn		
		Changes During		
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
Total Credit to Central Government	693.2	8.7	-4.6	97.2
From Central Bank	346.3	-7.0	-41.8	29.9
Loans and Advances	48.7	9.0	1.5	6.8
Government Securities ⁽¹⁾	297.6	-16.0	-43.3	23.1
From Domestic Banks	346.9	15.7	37.2	67.3
Loans and Advances	2.9	0.3	1.7	-1.7
Government Securities	344.0	15.4	35.5	69.0
Of which: Treasury bills ⁽²⁾	186.8	15.4	50.1	-25.0
Treasury notes	157.2	0.0	-14.6	94.0
Other	0.0	0.0	0.0	0.0
Less Central Government Deposits	124.4	-10.3	17.6	177.1
With Central Bank	95.0	-4.6	6.9	184.0
With Domestic Banks	29.4	-5.7	10.7	-6.9
Net Credit to Central Government	568.8	19.0	-22.2	-79.9
Credit to Other Public Sector	41.9	5.4	35.2	-3.7
From Central Bank	0.0	0.0	0.0	0.0
From Domestic Banks	41.9	5.4	35.2	-3.7
Of which: Local Government	2.5	0.4	0.6	-0.4
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	35.1	4.9	34.7	-1.1
Other Statutory Bodies	1.7	0.1	-0.1	-2.2
Securities	2.6	0.0	0.0	0.0
Plus Credit to the Private Sector	2,020.5	24.3	2.9	10.0
Loans and Advances	2,020.1	24.3	2.9	10.0
Securities	0.4	0.0	0.0	0.0
Net Domestic Credit of the Banking System ⁽³⁾	2,631.2	48.7	15.9	-73.6

⁽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.

⁽³⁾ Values may not equal to total due to rounding.

Table A.4: Sectoral Composition of Domestic Banks' Loans and Advances

	\$mn			
		Changes During		
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
PRIMARY SECTOR	206.9	3.1	-70.4	23.0
Agriculture	170.6	2.5	-69.8	41.2
Sugar	84.7	0.5	-2.9	15.1
Citrus	14.6	0.2	-0.1	3.0
Bananas	21.9	0.3	-59.4	12.2
Other	49.4	1.5	-7.4	10.9
Marine Products	31.8	0.7	-1.8	-3.4
Forestry	0.8	-0.1	0.3	-0.4
Mining and Exploration	3.7	0.0	0.9	-14.4
SECONDARY SECTOR	704.5	8.2	84.9	-9.6
Manufacturing	64.3	-1.9	29.5	2.5
Building and Construction	588.8	4.9	17.5	-12.9
Utilities	51.4	5.2	37.9	0.8
TERTIARY SECTOR	701.0	11.3	20.2	-3.6
Transport	57.6	0.2	0.3	-0.3
Tourism	118.7	1.7	2.5	-9.5
Distribution	170.6	5.1	12.3	10.1
Real Estate	293.0	2.2	2.1	3.7
Professional Services	50.3	1.3	0.2	-0.4
Other ⁽¹⁾	10.8	0.8	2.8	-7.2
PERSONAL LOANS	445.6	7.4	5.1	-5.2
TOTAL	2,058.0	30.0	39.8	4.6

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

Table A.5: Domestic Banks' Liquidity Position and Cash Reserves

	\$mn			
		Changes During		
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
Holdings of Approved Liquid Assets	911.8	-7.6	43.0	-213.6
Notes and Coins	94.8	-0.5	19.4	-0.7
Balances with Central Bank	430.8	-18.9	-76.9	-166.7
Money at Call and Foreign Balances (due 90 days)	195.4	6.5	102.1	-27.3
Central Government Securities maturing within 90 days ⁽¹⁾	178.6	6.1	19.6	-41.3
Other Approved Assets	12.2	-0.8	-21.2	22.4
Required Liquid Assets	618.4	1.7	18.6	-17.3
Excess/(Deficiency) Liquid Assets	293.4	-9.3	24.4	-196.3
Daily Average Holdings of Cash Reserves	428.6	-11.4	-77.1	-163.8
Required Cash Reserves	228.5	0.6	6.9	-6.4
Excess/(Deficiency) Cash Reserves	200.1	-12.0	-84.0	-157.4
Actual Securities Balances ⁽²⁾	177.1	5.4	40.4	-35.0
Excess/(Deficiency) Securities	177.1	5.4	40.4	-35.0

⁽¹⁾ Four week average of domestic banks' Treasury bill holdings.

⁽²⁾ Face value of domestic banks' Treasury bill holdings at the end of the month.

Table A.6: Domestic Banks' Weighted Average Interest Rates

	Percent			
		Changes During		
	Position as at Aug 2018	July 2018 to Aug 2018	Dec 2017 to Aug 2018	Dec 2016 to Aug 2017
Weighted Lending Rates				
Personal Loans	10.93	-0.13	-0.38	-0.23
Commercial Loans	8.68	-0.44	-0.44	-0.33
Residential Construction	7.03	-0.03	-0.14	-0.40
Other	6.74	-0.03	0.01	-0.30
Weighted Average	9.01	-0.26	-0.33	-0.24
Weighted Deposit Rates				
Demand	0.01	0.00	0.00	0.00
Savings/Chequing	0.48	0.00	-0.01	-0.40
Savings	2.71	0.00	0.21	-0.02
Time	1.99	0.00	-0.09	-0.13
Weighted Average	1.22	-0.01	0.01	-0.08
Weighted Average Spread	7.79	-0.25	-0.34	-0.16

Table A.7: Domestic Banks' (Rolling) Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages at			Monthly Change Aug 2018 over July 2018	Annual Change Aug 2018 over Aug 2017
	Aug 2018	July 2018	Aug 2017		
Weighted Lending Rates					
Personal Loans	9.99	10.09	10.15	-0.10	-0.16
Commercial Loans	8.21	8.45	8.96	-0.24	-0.75
Residential Construction	7.12	7.13	6.71	-0.01	0.41
Other	6.40	6.41	6.39	-0.01	0.01
Weighted Average	8.81	8.88	9.06	-0.07	-0.25
Weighted Deposit Rates					
Demand	0.00	0.00	0.01	0.00	-0.01
Savings/Chequing	0.53	0.60	1.19	-0.07	-0.66
Savings	2.48	2.47	2.03	0.01	0.45
Time	1.93	1.90	1.92	0.03	0.01
Weighted Average	1.51	1.50	1.81	0.01	-0.30
Weighted Average Spread	7.29	7.38	7.24	-0.09	0.05

Table A.8: Tourist Arrivals

	Jan - Aug 2017	Jan - Aug 2018
Air	233,271	260,096
Land	39,599	50,510
Sea	5,725	3,973
Stay-over Visitors	278,595	314,579
Cruise Ship Disembarkations	610,328	722,951

Sources: BTB and CBB

Table A.9: Percentage Change in the Consumer Price Index Components
by Major Commodity Group

Major Commodity	Weights	July 2018	Aug 2018	% Change	
				Aug 2018 over July 2018	YTD 2018 over YTD 2017
Food and Non-Alcoholic Beverages	195	104.9	104.7	-0.2	-0.5
Alcoholic Beverages and Tobacco	17	107.3	106.2	-1.0	3.3
Clothing and Footwear	83	97.7	97.7	-0.1	-0.2
Housing, Water, Electricity, Gas, and Other Fuels	265	103.9	105.5	1.5	0.5
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.5	100.7	-0.8	0.3
Health	41	117.1	118.3	1.0	2.8
Transport	136	112.2	110.0	-2.0	0.3
Communication	33	100.7	101.0	0.3	0.3
Recreation and Culture	69	104.0	106.1	2.1	-1.1
Education	32	103.3	105.8	2.4	-0.1
Restaurants and Hotels	7	120.1	115.7	-3.7	0.5
Miscellaneous Goods and Services	52	105.6	105.3	-0.3	1.0
All Items	1,000	105.0	105.4	0.4	0.2

Source: SIB

Table A.10: Sugarcane Deliveries and Production of Sugar and Molasses

	Dec - July 2016/2017	Dec - July 2017/2018
Deliveries of Sugarcane (long tons)	1,644,405	1,680,555
Sugar Processed (long tons)	174,887	175,340
Molasses Processed (long tons)	55,792	51,669
Performance		
Factory Time Efficiency (%)	95.15	90.16
Cane Purity (%)	86.42	86.31
Cane/Sugar	9.40	9.58

Source: BSI and Santander Group

Table A.11: Exports of Sugar and Molasses

	Aug 2017		Aug 2018		Jan - Aug 2017		Jan - Aug 2018	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	513	928	571	569	116,149	110,239	123,289	85,857
E.U.	197	229	79	98	104,172	95,692	110,145	71,840
USA	0	0	0	0	10,892	12,642	10,868	11,636
Caricom	316	699	492	471	1,063	1,872	2,198	2,287
Other	0	0	0	0	22	34	79	93
Molasses	0	0	11,336	1,843	37,677	7,916	41,156	6,610

Sources: BSI and Santander Group

Table A.12: Citrus Deliveries and Production

	Oct - June 2016/2017	Oct - June 2017/2018
Deliveries (boxes)		
Orange	3,200,843	2,433,409
Grapefruit	186,106	205,475
Total	3,386,949	2,638,884
Concentrate Produced (ps)		
Orange	19,021,381	13,918,012
Grapefruit	730,703	778,838
Total	19,752,084	14,696,850
Not from concentrate (ps)		
Orange	225,567	268,242
Grapefruit	20,460	35,637
Total	246,027	303,879
Pulp (pounds)		
Orange	2,403,232	1,610,352
Grapefruit	5,936	103,880
Total	2,409,168	1,714,232
Oil Produced (pounds)		
Orange	1,256,000	809,600
Grapefruit	31,100	22,600
Total	1,287,100	832,200

Source: CPBL

Table A.13: Export Sales of Citrus Products

	Aug 2017		Aug 2018		Jan - Aug 2017		Jan - Aug 2018	
	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)
Citrus Concentrates								
U.S.A.								
Orange	0	0	0	0	5,010	15,194	5,637	15,414
Grapefruit	0	0	0	0	0	0	0	0
Caribbean								
Orange	554	2,065	740	2,764	4,698	17,436	4,977	18,614
Grapefruit	33	122	0	0	261	977	178	930
Europe								
Orange	818	2,219	107	333	3,016	8,249	1,304	4,059
Grapefruit	0	0	0	0	492	1,772	262	1,022
Other								
Orange	0	0	0	0	0	0	68	225
Grapefruit	0	0	0	0	120	442	132	714
Sub-Total ⁽¹⁾	1,404	4,406	847	3,097	13,598	44,070	12,558	40,978
Orange	1,372	4,284	847	3,097	12,724	40,879	11,986	38,312
Grapefruit	33	122	0	0	873	3,191	572	2,666
Not-From-Concentrate								
Sub-Total	6	33	2	16	37	199	34	181
Orange	5	28	0	0	31	163	27	137
Grapefruit	1	5	2	16	6	36	7	44
Total Citrus Juices	1,411	4,439	849	3,113	13,634	44,269	12,592	41,159
Pulp (pounds '000)								
Total ⁽¹⁾	5	7	163	121	1,101	859	1,591	1,209
Orange	5	7	163	121	1,101	859	1,484	1,127
Grapefruit	0	0	0	0	0	0	106	82

Source: CPBL

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

Table A.14: Banana Exports

	Aug 2017	Aug 2018	Jan - Aug 2017	Jan - Aug 2018
Volume (metric tons)	8,543	6,365	56,036	50,135
Value (\$'000)	7,315	5,153	58,967	49,937

Source: BGA

Table A.15: Marine Exports

	Jan - Aug 2017		Jan - Aug 2018	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	628	13,697	585	14,714
Shrimp	815	6,701	549	2,394
Conch	354	4,329	411	5,796
Other Fish	192	244	22	54
Total	1,989	24,971	1,567	22,958

Source: SIB

Table A.16: Other Domestic Exports

	Jan - Aug 2017	Jan - Aug 2018
Other Domestic Exports (\$'000)	59,722	50,772
Of which:		
Pepper Sauce	2,537	3,085
Red Kidney Beans	7,509	5,903
Orange Oil	10,702	6,676
Grapefruit Oil	730	1,478
Animal Feed	10,676	10,691

Source: SIB

Table A.17: Petroleum Production and Exports

	Aug 2017	Aug 2018	Jan - Aug 2017	Jan - Aug 2018
Crude Oil Production				
Never Delay (Barrels)	308	327	1,750	2,668
Spanish Lookout (Barrels)	28,182	24,979	250,260	203,408
Crude Oil Export				
Volume (Barrels)	0	0	199,682	133,048
Value (\$'000)	0	0	16,338	15,784

Source: Petroleum and Geology Department

Table A.18: Central Government Revenue and Expenditure

	Approved Budget 2018/2019	Jan 2017 to Aug 2017	Jan 2018 to Aug 2018 ^(P)	Apr 2017 to Aug 2017	Apr 2018 to Aug 2018 ^(P)	Fiscal YTD as % of Budget
						\$'000
TOTAL REVENUE & GRANTS (1+2+3)	1,183,327	728,192	804,871	467,039	506,851	42.8%
1). Current Revenue	1,134,915	711,957	773,837	464,148	494,518	43.6%
Tax Revenue	1,022,580	644,286	690,727	410,059	443,184	43.3%
Income and Profits	277,322	183,771	193,338	114,799	121,676	43.9%
Taxes on Property	6,241	5,282	4,575	3,148	2,568	41.1%
Taxes on Goods and Services	568,542	350,930	384,818	224,909	248,446	43.7%
International Trade and Transactions	170,296	104,303	107,997	67,203	70,494	41.4%
Non-Tax Revenue	112,335	67,671	83,110	54,089	51,334	45.7%
Property Income	30,021	11,778	21,981	10,333	12,456	41.5%
Licences	16,947	12,341	18,292	7,961	11,728	69.2%
Other	65,367	43,552	42,837	35,795	27,150	41.5%
2). Capital Revenue	3,301	1,369	1,487	740	1,041	31.5%
3). Grants	45,111	14,866	29,547	2,151	11,293	25.0%
TOTAL EXPENDITURE (1+2)	1,208,717	812,002	801,974	474,590	469,739	38.9%
1). Current Expenditure	1,051,354	687,480	711,118	418,227	427,152	40.6%
Wages and Salaries	431,681	279,860	288,118	177,879	181,393	42.0%
Pensions	91,428	60,512	61,129	39,530	39,969	43.7%
Goods and Services	238,375	140,968	150,698	78,982	81,777	34.3%
Interest Payments on Public Debt	111,901	94,113	98,141	51,376	55,335	49.4%
Subsidies and Current Transfers	177,968	112,028	113,032	70,459	68,678	38.6%
2). Capital Expenditure	157,364	124,522	90,856	56,363	42,587	27.1%
Capital II (Local Sources)	61,921	66,427	39,850	22,007	22,922	37.0%
Capital III (Foreign Sources)	93,144	56,469	49,854	33,765	18,514	19.9%
Capital Transfer and Net Lending	2,299	1,625	1,151	591	1,151	50.1%
CURRENT BALANCE	83,561	24,477	62,718	45,921	67,366	80.6%
PRIMARY BALANCE	86,511	10,303	101,038	43,826	92,447	106.9%
OVERALL BALANCE	(25,390)	(83,810)	2,897	(7,551)	37,112	-146.2%
Primary Balance less grants	41,400	(4,563)	71,491	41,674	81,155	196.0%
Overall Balance less grants	(70,502)	(98,676)	(26,650)	(9,702)	25,820	-36.6%
FINANCING	25,390	83,810	(2,897)	7,551	(37,112)	
Domestic Financing		68,804	(16,476)	24,213	(50,852)	
Central Bank		(154,092)	(48,673)	(196,878)	(61,392)	
Net Borrowing		29,892	(41,772)	(25,185)	(32,164)	
Change in Deposits		(183,984)	(6,901)	(171,693)	(29,228)	
Commercial Banks		75,432	24,691	89,267	1,364	
Net Borrowing		68,546	35,417	75,584	12,767	
Change in Deposits		6,886	(10,726)	13,683	(11,403)	
International Banks		(134)	(314)	(90)	(135)	
Other Domestic Financing		147,598	7,820	131,915	9,311	
Financing Abroad		66,541	3,217	40,574	6,220	
Disbursements		127,488	59,317	82,474	45,073	
Amortization		(60,948)	(56,100)	(41,899)	(38,853)	
Nationalization of BTL		(51,496)	0	(51,496)	0	
Other		(39)	10,362	(5,741)	7,520	

Sources: CBB and MOF

^P - Provisional

Table A.19: Central Government Domestic Debt 2018

	\$'000					
	Disbursed Outstanding Debt 31/12/17 ^R	TRANSACTIONS THROUGH AUGUST 2018			Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 31/08/18 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest		
Overdraft/Loans	47,235	0	0	2,363	1,510	48,746
Central Bank	47,235	0	0	2,363	1,510	48,746
Domestic Banks	0	0	0	0	0	0
Treasury Bills	245,000	0	0	1,531	0	245,000
Central Bank	106,823	0	0	592	(50,371)	56,452
Domestic Banks	136,700	0	0	931	50,136	186,836
Other	1,477	0	0	8	235	1,712
Treasury Notes	640,000	16,008	16,008	20,934	0	640,000
Central Bank	234,100	16,008	8	8,558	(8,911)	241,189
Domestic Banks	171,771	0	15,000	3,896	411	157,182
Other	234,129	0	1,000	8,480	8,500	241,629
Belize Bank Limited ⁽¹⁾	91,000	0	0	0	0	91,000
Heritage Bank Limited	1,020	0	516	53	0	505
Belize Social Security Board ⁽²⁾	311	0	23	12	0	288
Fort Street Tourism Village	0	215	108	0	0	108
Debt for Nature Swap	1,970	0	91	28	0	1,879
Total	1,026,537	16,223	16,745	24,921	1,510	1,027,525

^R - Revised^P - Provisional⁽¹⁾ Caribbean Court of Justice award in November 2017 against the Government of Belize in favour of Belize Bank relating to the loan guarantee.⁽²⁾ Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.20: Public Sector External Debt 2018

\$'000

	Disbursed Outstanding Debt 31/12/17 ^R	TRANSACTIONS THROUGH AUGUST 2018				Disbursed Outstanding Debt 31/08/18 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,415,389	59,317	56,100	73,869	-409	2,418,198
Government of Venezuela ⁽¹⁾	419,615	9,617	0	415	0	429,232
Kuwait Fund for Arab Economic Development	26,512	0	957	601	-101	25,453
Mega International Commercial Bank Company LTD.	50,000	0	0	2,154	0	50,000
Republic of China	241,601	20,000	21,422	5,553	0	240,179
Caribbean Development Bank	259,751	14,414	17,425	6,634	-0	256,740
Caricom Development Fund	799	0	415	37	0	384
European Economic Community	8,442	0	489	36	-237	7,716
Inter-American Development Bank	228,478	8,913	11,109	3,780	0	226,281
International Fund for Agriculture Development	2,924	0	168	33	-70	2,686
International Bank for Reconstruction and Development	32,242	4,200	791	521	0	35,651
Opec Fund for International Development	70,574	2,173	2,436	1,484	0	70,312
Central American Bank for Economic Integration	21,447	0	887	631	0	20,560
Bank of New York	1,053,004	0	0	51,992	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	22,620	9,958	2,265	555	0	30,313
Caribbean Development Bank ⁽²⁾⁽³⁾	22,620	510	2,265	555	0	20,866
Atlantic International Bank Limited	0	4,000	0	0	0	4,000
International Cooperation & Development Fund	0	5,448	0	0	0	5,448
FINANCIAL PUBLIC SECTOR	73,905	4,678	666	639	-816	77,102
Caribbean Development Bank	22,845	4,678	647	639	0	26,876
European Economic Community	93	0	19	0	-2	72
International Monetary Fund ⁽⁴⁾	50,968	0	0	0	-814	50,154
GRAND TOTAL	2,511,914	73,953	59,030	75,088	-1,224	2,525,613

^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 August 2018 amount to principal of \$14.9mn and interest of \$3.5mn.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.