



CENTRAL BANK

of BELIZE



MONTHLY
ECONOMIC HIGHLIGHTS

DECEMBER 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)

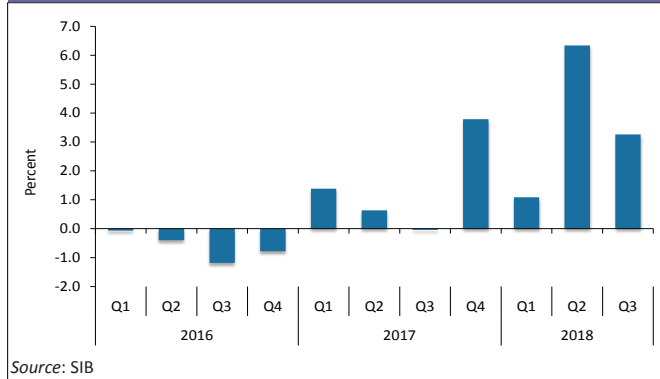


Chart II: Consumer Price Index (All Items)

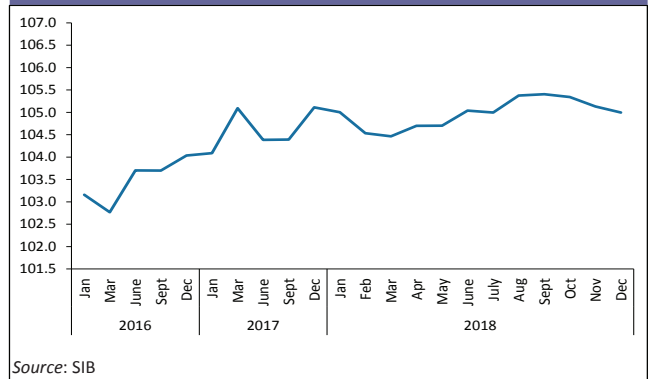


Chart III: Gross International Reserves and Import Cover

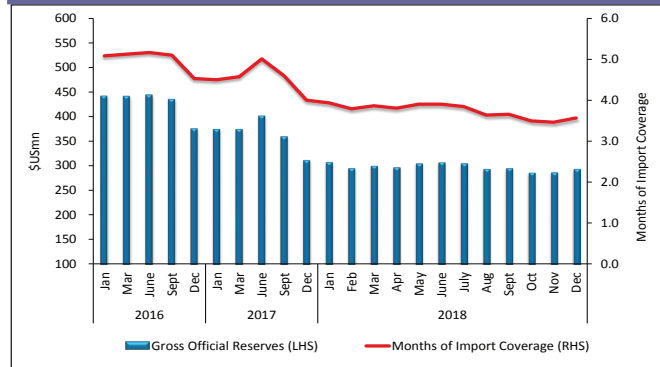


Chart IV: Current Account Balance to GDP

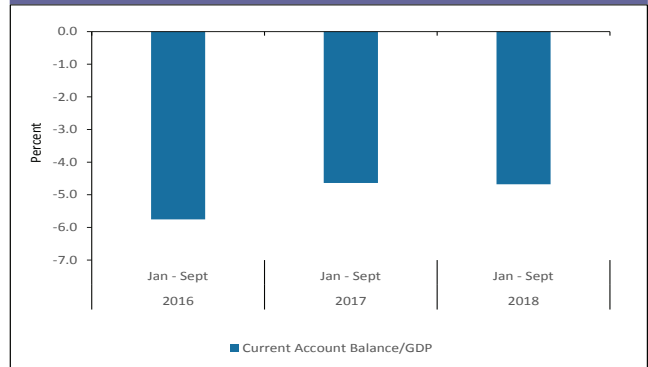


Chart V: Domestic Banks - Deposits and Loans and Advances

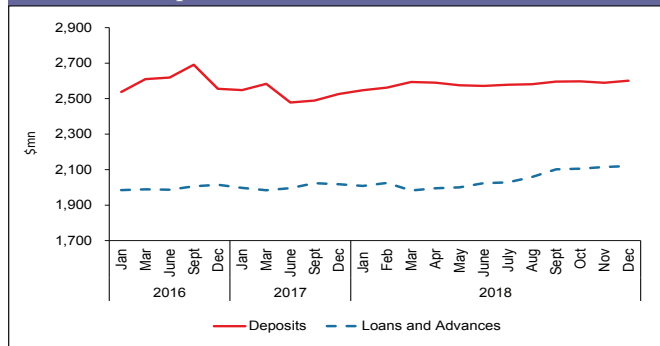


Chart VI: Primary and Overall Balances to GDP

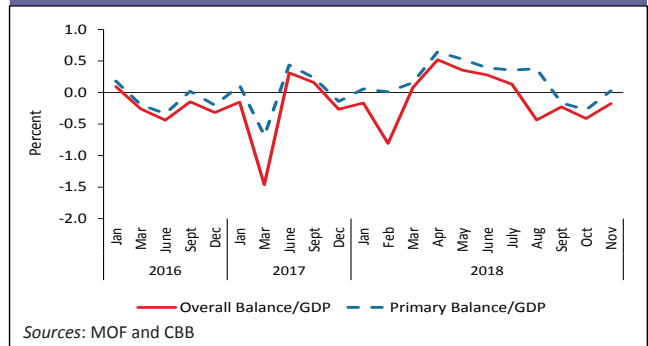


Chart VII: Public Sector External Debt

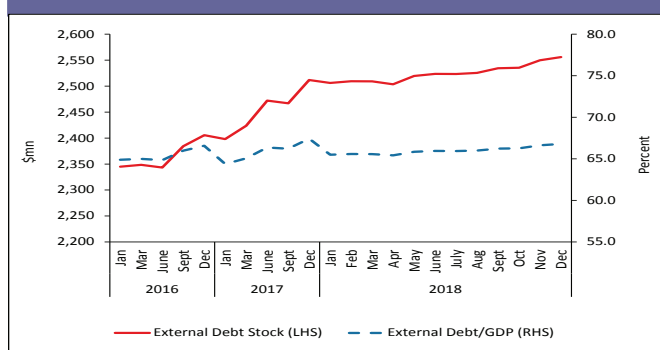
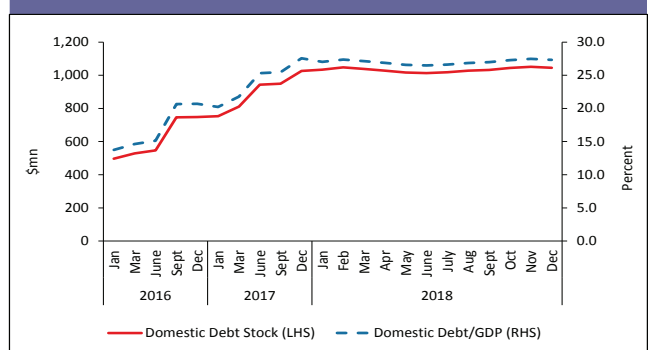


Chart VIII: Central Government Domestic Debt



Overview

- In 2018, broad money supply (M2) grew by 2.7%, as the 0.5% decline in net foreign assets of the banking system was overshadowed by a 3.3% increase in net domestic credit.
- The net foreign assets of the banking system contracted as a result of the reduction in Central Bank's holdings since domestic banks' foreign balances rose. The Central Bank's net foreign assets contracted by \$37.8mn to \$590.7mn, as gross foreign currency outflows of \$258.3mn exceeded gross inflows of \$221.2mn. Majority of foreign currency sales went to Central Government, primarily to service its external debt, while inflows from Central Bank's main sources declined. In contrast, the net foreign assets of domestic banks grew by \$25.6mn in December and by \$33.2mn over the 12-month period to \$264.0mn, bolstered by upswings in tourism earnings.
- Net domestic credit expanded by \$87.6mn in 2018, driven by increased lending to the private sector and quasi-government corporations, which expanded by \$56.6mn and \$42.8mn, respectively. In contrast, net credit to Central Government from the banking system was down by \$11.8mn as a result of an increase in bank deposits.
- Domestic banks' excess statutory liquid assets declined by \$28.5mn to \$240.7mn (38.6% above requirement), while their excess cash reserves contracted by \$87.4mn to \$196.6mn (85.4% above requirement). The steep reduction in excess cash reserves was due in part to increased government security purchases.
- The 12-month (rolling) weighted average interest rate on new loans slid by four basis points in December month-on-month and by 39 basis points year-on-year to 8.62%. The equivalent rate on new deposits nudged up by one basis point month-on-month, but contracted by 25 basis points year-on-year to 1.46%. As a result, the 12-month weighted average interest rate spread narrowed by 14 basis points to 7.17%.
- Merchandise export receipts fell by 11.0% to \$390.2mn due to lower earnings from all major domestic exports, except for crude oil, lobster and conch. In contrast, gross imports (including electricity) rose by 5.5% to \$1,979.8mn, driven by higher outlays on goods in the "*Fuels, Lubricants and Crude Materials*", "*Commercial Free Zone*" and "*Machinery and Transport Equipment*" categories.
- Growth in international visitors remained robust in 2018, as stay-over arrivals rose by 12.6% to 438,224, and cruise ship disembarkations increased by 19.1% to 1,087,323.

-
- The Consumer Price Index (CPI) fell by 0.1% in December relative to November, but rose by 0.3% on average in 2018 compared to 2017. The upward price movement during the year was mainly attributable to rising costs of house rent, liquid petroleum gas, fuels and lubricants, and medical services.
 - The total public sector debt rose by 1.7% to \$3,601.2mn (94.1% of GDP) in 2018, as Central Government's domestic debt grew by 1.8% to \$1,045.3mn, and the public sector's external debt rose by 1.7% to \$2,555.9mn.

Money and Credit

- In 2018, broad money supply (M2) expanded by 2.7% due to a 3.3% expansion in net domestic credit, as the net foreign assets of the banking system fell by 0.5%.
- The net foreign asset position of the banking system dipped by \$4.6mn, as the decline in Central Bank's holdings was almost offset by an increase in domestic bank's foreign balances. The Central Bank's holdings grew by \$14.8mn in December but contracted by \$37.8mn to \$590.7mn during the year. Gross foreign currency inflows totalled \$221.2mn, down 24.6% compared to the same period last year. Inflows fell with declines in foreign currency purchases from key sources, including loan disbursements (\$92.5mn), sugar exports (\$51.5mn) and domestic banks (\$1.2mn). Although gross foreign currency outflows fell by a larger margin of 45.1%, at \$258.3mn, outflows still exceeded gross inflows. Central Government received 88.0% of total outflows, most of which was used to meet external debt commitments. Consequently, the gross official international reserves contracted from the equivalent of 4.0 months of merchandise imports in December 2017 to 3.6 months of merchandise imports in December 2018.
- In contrast, domestic banks' net foreign assets rose by \$33.2mn to \$264.0mn over the year, buoyed by a \$25.6mn expansion in December. The solid monthly performance was attributable to the robust start of the tourism high season.
- Net domestic credit grew by \$87.6mn because of increased lending to the private sector and quasi-government entities, as net credit

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

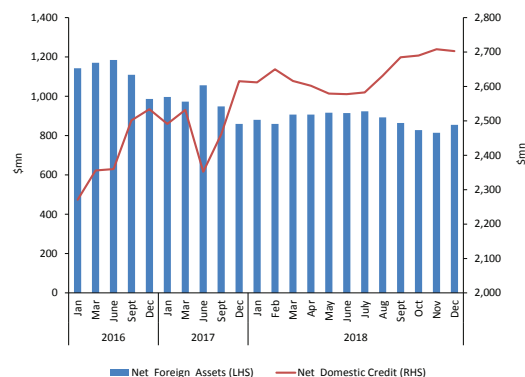
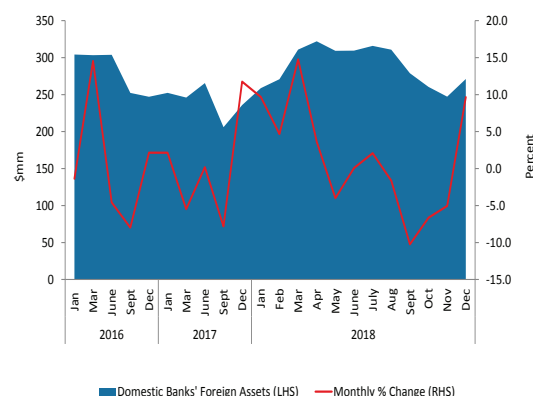


Table 1.1: Central Bank's Foreign Asset Flows

	\$mn	
	Jan - Dec 2017	Jan - Dec 2018
Total Inflows	293.3	221.2
Loan Disbursements	146.5	92.5
Sugar Receipts	63.7	51.5
Banks	18.8	1.2
Other	64.3	76.0
Total Outflows	470.6	258.3
Central Government	415.2	227.2
Banks	16.9	0.0
Other	38.5	31.1

Chart 1.2: Domestic Banks' Foreign Assets



to Central Government declined. Net credit to the private sector grew by \$56.6mn to \$2,074.1mn in 2018, driven by heightened lending for manufacturing (\$42.7mn), tourism (\$26.1mn), construction (\$24.2mn), merchandise distribution (\$19.4mn) and personal consumption (\$10.9mn). These overshadowed net loan repayments for banana (\$58.5mn), fisheries (\$8.5mn) and grain (\$6.2mn) production. Meanwhile, loan write-offs totalled \$43.6mn, down from \$88.8mn in 2017.

- Similarly, net credit to other public sector entities rose by \$42.8mn to \$49.5mn, principally due to additional financing to Belize Telemedia Limited (BTL) to help fund its network expansion.
- In contrast, net lending to Central Government from the banking system declined by \$11.8mn to \$579.2mn. This downturn was due to a \$22.0mn expansion in Central Government’s deposit holdings, shared between domestic banks (\$8.3mn) and the Central Bank (\$13.7mn). The deposit build-up overshadowed a \$7.6mn increase in net credit from domestic banks and a \$4.9mn rise in Central Government’s overdraft facility at the Central Bank, which stood at \$52.1mn at year end, representing 61.1% of the legal threshold.
- Lending by the five largest credit unions rose by \$3.0mn to \$583.3mn in 2018, as a result of a \$4.2mn expansion in December. The anemic growth in lending resulted as increased net disbursements for land acquisition (\$5.1mn), personal consumption (\$2.2mn) and marine production (\$0.7mn) barely outweighed net

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

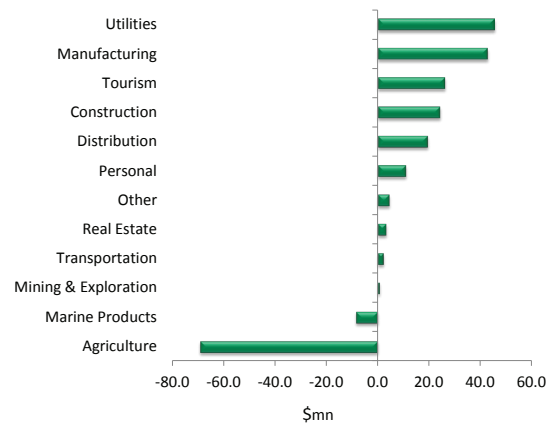


Chart 1.4: Loans for Top Five Credit Unions

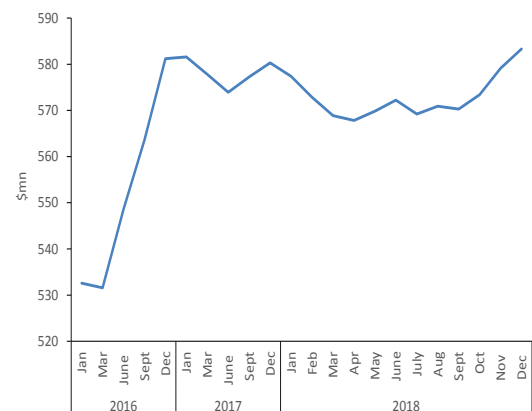
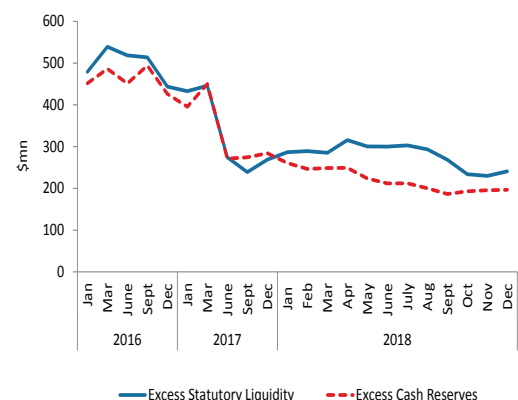


Chart 1.5: Excess Statutory Liquidity



repayments for sugar production (\$3.0mn), residential construction (\$1.3mn) and commercial real estate (\$1.1mn).

- In 2018, the excess statutory liquid assets of the banking system fell by \$28.5mn to \$240.7mn and settled at 38.6% above the legal requirement. Concurrently, domestic banks' excess cash reserves contracted by \$87.4mn to \$196.6mn and stood at 85.4% above the required level. The sharper downturn in cash reserves was due in part to domestic banks' acquisition of government securities during the year.
- The 12-month (rolling) weighted average lending interest rate declined by four basis points in December relative to November, and by 39 basis points year-on-year in 2018 to 8.62%. On an annualized basis, rates fell in three of the four major loan categories. More specifically, commercial, personal and other loan rates contracted by 47, 11 and five basis points, respectively. In contrast, residential construction loan rates rose by 13 basis points.
- In comparison, the 12-month (rolling) weighted average deposits interest rate edged up by one basis point in December relative to November, but contracted by 25 basis points year-on-year in 2018 to 1.46%. The year-to-date decline was weighed down by reduced rates for savings/chequing and time deposits, which fell by 74 and 15 basis points, respectively. The outturn in these categories was partially offset by a 43 basis point increase in the savings deposit rate and an unchanged demand deposit rate. Consequently, the annualized weighted average interest rate spread narrowed by 14 basis points to 7.17%.

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

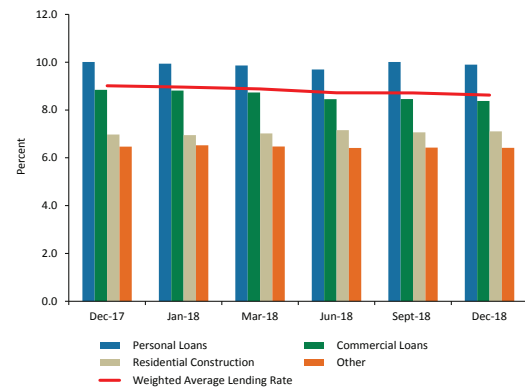
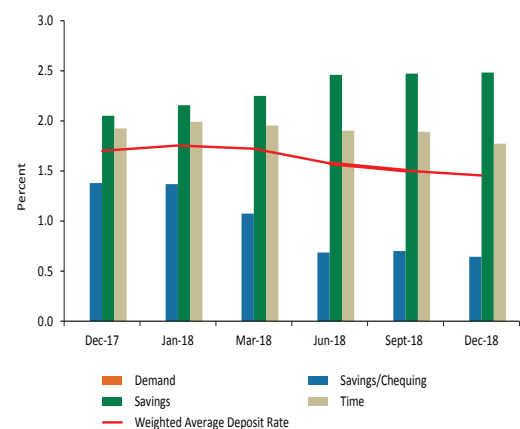


Chart 1.7: Domestic Banks' Weighted (Rolling) Average Interest Rates on Deposits



Real Sector Developments

- In 2018, the production of all other major commodities declined, except for farmed shrimp and conch.
- Export receipts fell by 11.0% to \$390.2mn in 2018 because of lower receipts from all major domestic exports, save for crude oil, lobster and conch.
- Gross imports (including electricity) rose by 5.5% to \$1,979.8mn, driven by higher outlays on goods in the “*Fuels, Lubricants and Crude Materials*” (\$76.4mn), “*Commercial Free Zone*” (\$16.8mn) and “*Machinery and Transport Equipment*” (\$15.4mn) categories. Increased spending on items in these categories outweighed declines in “*Manufactured Goods and Other Manufactures*” (\$10.1mn) and “*Export Processing Zones*” (\$2.3mn).
- Stay-over arrivals grew by 11.9% in December, resulting in a 12.6% annual increase for 2018 to a record-high 438,224 overnight visitors. This stellar performance was attributable to increased airlift capacity, improved marketing efforts and higher incomes across key source markets. Cruise ship disembarkations expanded by 19.1% to 1,087,323 visitors, underpinned by a 56-ship increase in calls to the Belize City and Harvest Caye ports, which rose to 392 from 336 in 2017.
- The CPI dipped by 0.1% in December relative to the previous month. Notwithstanding, the average inflation rate for 2018 was 0.3%. The marginal lift in the annual price level was attributable to rising costs for house rent, liquefied petroleum gas, and fuels and lubricants in “*Housing, Water, Electricity, Gas*

Table 2.1: Production of Main Domestic Exports

	Jan - Dec 2017	Jan - Dec 2018
Sugarcane Deliveries (long tons)	1,646,901	1,622,313
Sugar (long tons)	174,960	170,079
Molasses (long tons)	56,074	49,953
Banana (metric tons)	84,733	80,394
Citrus Deliveries (boxes)	3,474,756	2,733,387
Citrus Juices ('000 ps)	20,433	15,446
Marine Exports ('000 lbs)	2,995	3,050
Petroleum (barrels)	360,212	301,473

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

Table 2.2: Main Domestic Exports

	\$mn	
	Jan - Dec 2017	Jan - Dec 2018
Sugar	148.1	112.1
Molasses	9.0	6.6
Citrus	57.3	55.0
Banana	83.4	74.4
Petroleum	22.5	24.4
Marine Exports	40.1	42.4
Other Domestic Exports	77.7	75.4
Total	438.3	390.2

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

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

	\$mn		
	Jan - Dec 2016	Jan - Dec 2017	Jan - Dec 2018
Food, Beverages and Tobacco	267.9	251.4	257.6
Fuels, Lubricants and Crude Materials	247.6	300.8	377.2
Of which: Electricity	24.5	44.3	64.2
Oils, Fats and Chemicals	185.7	190.9	191.9
Manufactured Goods and Other Manufactures	414.8	405.3	395.3
Machinery and Transport Equipment	458.7	375.5	390.9
Other Goods	4.5	3.8	4.1
Export Processing Zones	45.3	41.1	38.8
Commercial Free Zone	305.5	307.2	324.0
Total	1,930.1	1,876.1	1,979.8

Sources: SIB and BEL

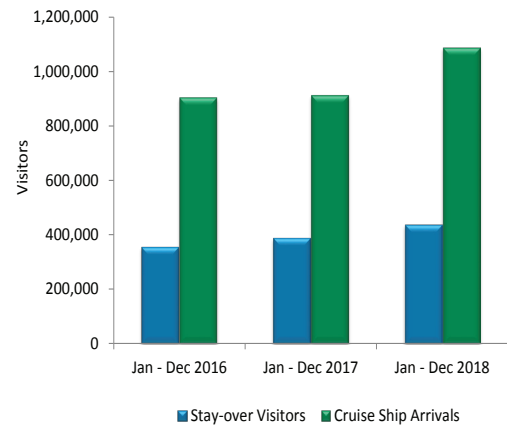
⁽¹⁾ Imports are valued at cost, insurance and freight

and Other Fuels” (0.8%) and for outpatient services in “Health” (3.3%). Meanwhile, the upward price pressure was softened by reduced international airfares in “Transport” (0.4%) and lower prices for meat products in “Food and Non-Alcoholic Beverages” (0.5%).

Sugarcane and Sugar

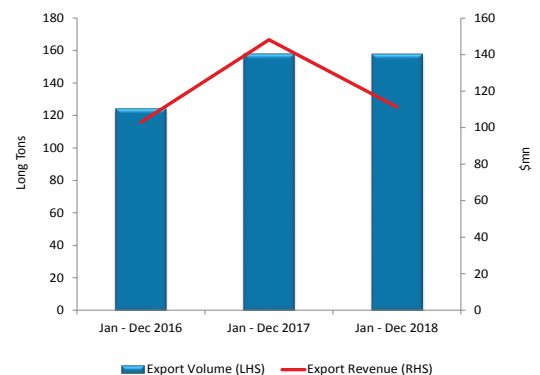
- The Northern 2018/2019 crop year began on schedule with factory operations commencing on 13 December, six days later than the start of the previous crop. The processor estimated that 1,235,000 long tons of sugarcane will be delivered, from which 134,000 long tons of sugar should be produced. When compared to the 2017/2018 crop year, northern sugarcane deliveries and sugar production are expected to decline by 1.6% and 3.5%, respectively, this crop year.
- The first estimate of the average price per long ton of delivered sugarcane is \$41.38, down 13.6% from the average final price of \$47.90 received for the 2017/2018 crop. The sizeable reduction reflects the downturn in raw sugar prices on the European market following the abolition of European Union (EU) production quotas in September 2017.
- In December, sugarcane deliveries declined by 39.4% to 89,593 long tons compared to December 2017. In tandem, sugar production fell by 39.2% to 8,153 long tons, resulting in a marginally improved tons cane to ton sugar (TC/TS) ratio of 9.8. Molasses production fell by a steeper margin, down by 48.8% to 1,798 long tons.
- For the year, sugar exports inched up by 0.6% to 158,897 long tons. The EU accounted for

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

Chart 2.2: Sugar Exports



Sources: BSI and Santander Group

90.2% of total exports, while sales to the US (6.8%), CARICOM (2.9%) and Canada (0.1%) made up the balance. In contrast, export receipts declined by 24.3% to \$112.1mn with the average unit price on the EU market down by 26.7% to US\$0.15 per pound from US\$0.20 per pound in 2017. Molasses exports amounted to 41,161 long tons valued at \$6.6mn.

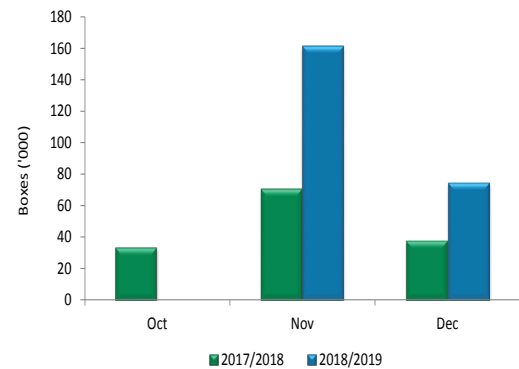
Citrus

- The 2018/2019 citrus crop year commenced on 7 November 2018, which was 20 days later than the previous one. Despite the delay, citrus deliveries for the crop year to date increased by 66.6% to 236,486 boxes of fruit when compared to the same period in the previous crop year. The deliveries comprised 60,120 boxes of orange and 176,366 boxes of grapefruit. In line with deliveries, citrus juice production rose by 67.6% to 1,103,028 pound solids (ps), consisting of 338,137 ps of orange juice and 764,891 ps of grapefruit juice. Consequently, the average outturn per box of fruit improved marginally to 5.6 ps for orange and 4.3 ps for grapefruit.
- In 2018, citrus juice exports declined by 4.6% to 16.4mn ps, while earnings slid 4.1% to \$55.0mn. Earnings contracted by a smaller margin, as the 9.8% reduction in orange concentrate prices on the US market was more than offset by higher orange and grapefruit juice prices on Caribbean and EU markets. Orange concentrate juice prices in the US were suppressed by increased juice supply from Brazil.

Banana

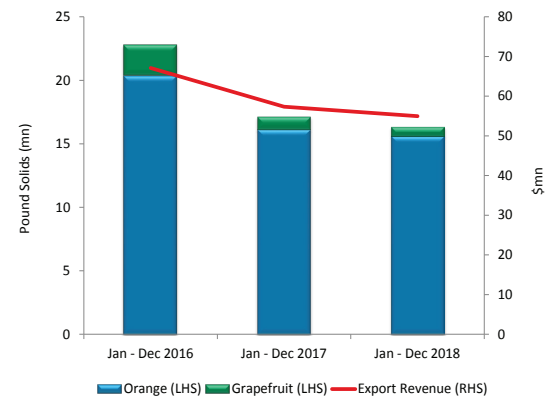
- Inhibited by rains in late 2017 and early 2018, annual banana exports fell by 5.1% to 80,394

Chart 2.3: Citrus Deliveries



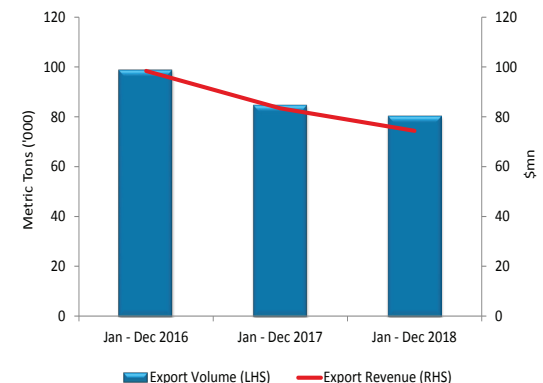
Source: CPBL

Chart 2.4: Citrus Juice Export Volume and Revenue



Source: CPBL

Chart 2.5: Banana Exports



Source: BGA

long tons. However, a 6.1% drop in the average unit price caused banana export receipts to contract by 10.9% to \$74.4mn.

Petroleum

- Crude oil production for the year declined by 16.3% to 301,473 barrels, reflecting a 161-barrel reduction in the daily extraction rate to 826 barrels per day. Production from the Spanish Lookout oilfield fell by 16.8% to 297,520 barrels, while field testing at the Never Delay Field yielded 3,953 barrels.
- Petroleum export volume declined by 25.2% to 199,649 barrels, with only three shipments in 2018 compared to four in 2017. However, a 45.0% improvement in the average price per barrel to US\$61.19 from US\$42.21 lifted export receipts by 8.4% to \$24.4mn.

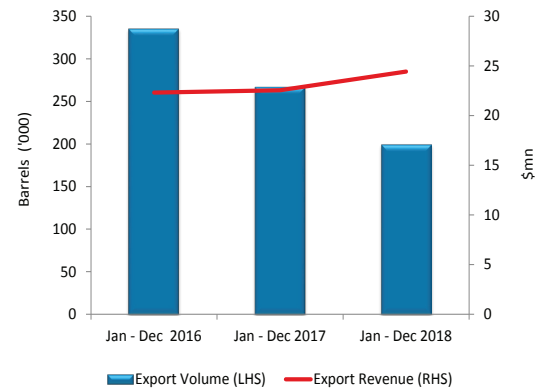
Marine Exports

- Marine export volume rose by 1.9% to 3.1mn pounds due to higher sales of conch (48.3%) and farmed shrimp (2.6%), as sales of lobster (8.6%) and other fish (88.%) shrunk. Marine export earnings increased by 5.8% to \$42.4mn because of higher lobster and conch prices.

Other Domestic Products

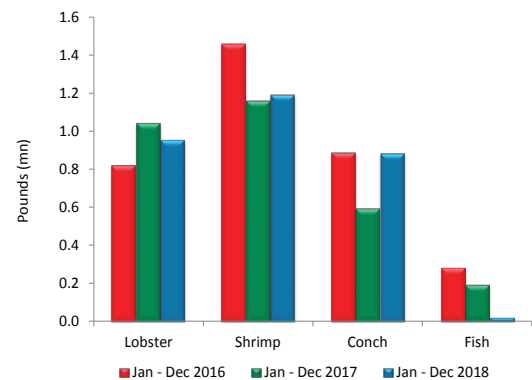
- Receipts from other domestic products fell by 3.1% to \$75.4mn, largely on account of lower earnings from orange oil (\$4.2mn), sawn wood (\$2.1mn), black-eyed pea (\$1.7mn) and animal feed (\$0.6mn), which outweighed revenue upticks from pepper sauce (\$5.1mn), red-kidney bean (\$1.2mn) and grapefruit oil (\$1.1mn).

Chart 2.6: Petroleum Exports



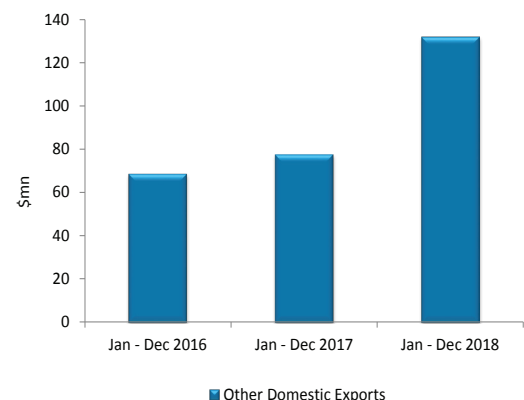
Source: Geology and Petroleum Department

Chart 2.7: Marine Export Volumes



Sources: SIB and CBB

Chart 2.8: Other Domestic Exports



Source: SIB

Central Government Operations

Information on Central Government's operations after November 2018 is not available.

Central Government Domestic Debt

- In 2018, Central Government's domestic debt rose by 1.8% (\$18.8mn) to \$1,045.3mn. This increase in borrowing resulted because Central Government issued \$15.0mn in Treasury notes (T-notes) in December and increased its overdraft balance with the Central Bank by \$4.8mn. The outstanding balance was partly offset by \$1.2mn in loan repayments.
- Interest payments on Central Government's domestic debt totalled \$34.5mn. The largest portion went to Central Bank, who received \$14.1mn in interest income. This amount was comprised of \$4.5mn on short-term credit (Treasury bills (T-bills) and Central Government's overdraft) and \$9.6mn on longer-term T-notes. Non-bank entities and domestic banks earned \$12.1mn and \$8.2mn, respectively, on their holdings of government securities.
- In securities trading, the Central Bank reduced its T-bill holdings by \$55.8mn, as domestic banks and non-bank entities acquired T-bills valuing \$50.9mn and \$4.9mn, respectively, in open market operations. On the other hand, the Central Bank and non-bank entities increased their T-note holdings by \$27.4mn and \$7.3mn, respectively, while domestic banks' amount fell by \$19.7mn.
- At year-end, domestic banks held 41.2% of Central Government's domestic debt, representing the largest share among

Chart 3.1: Distribution of Central Government's Domestic Debt

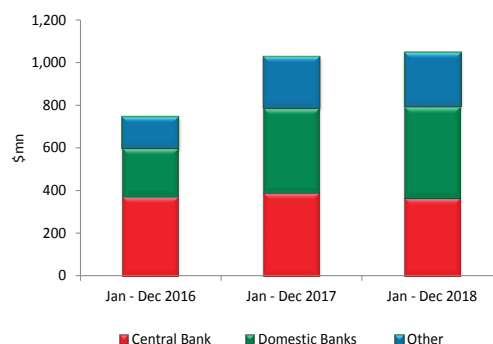


Chart 3.2: Distribution of Interest Payments on Central Government's Domestic Debt

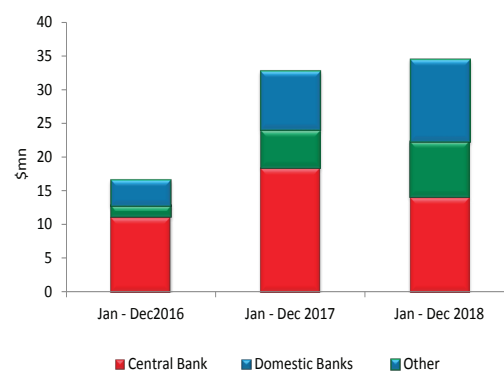
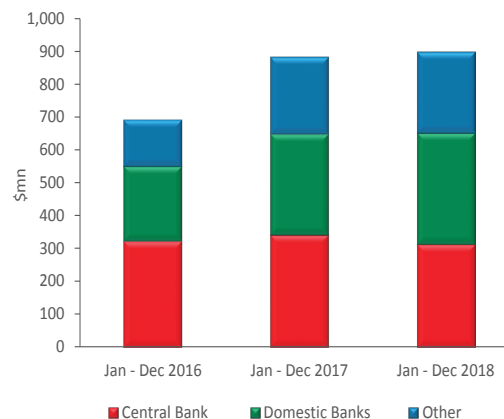


Chart 3.3: Distribution of Central Government's Domestic Securities



creditors. Meanwhile, the share held by non-bank entities inched up to 23.9%, while Central Bank's portion slid to 34.9%.

Public Sector External Debt

- The public sector's external debt increased by 1.7% (\$42.2mn) to \$2,555.9mn, as disbursements of \$128.4mn outweighed principal payments of \$84.4mn and downward valuation adjustments of \$1.8mn. The latter reflected an appreciation of the US dollar vis-à-vis the euro, Kuwait dinar and SDR.
- Loan disbursements to Central Government totalled \$92.2mn, all of which stemmed from bilateral and multilateral sources. Bilateral lenders disbursed \$30.6mn, which entailed \$20.8mn from the Republic of China/Taiwan for budget support and \$9.8mn from Venezuela under the Petrocaribe programme. Multilateral creditors disbursed \$61.6mn, including \$23.3mn from the Caribbean Development Bank (CDB) for the Philip Goldson Highway upgrade, the Santa Elena/San Ignacio By-pass Project, the Education Sector Reform Project and the Social Investment Fund programme. In addition, the International Bank for Reconstruction and Development advanced \$4.2mn for the Climate Resilient Infrastructure Project, while the Inter-American Development Bank expended \$24.5mn for the George Price Highway works, the Solid Waste Management Project II and several other projects. Furthermore, the Central American Bank for Economic Integration disbursed \$6.9mn towards the Integral Security Programme.
- Lending to the non-financial public sector amounted to \$27.1mn. During the year, CDB advanced \$0.5mn to Belize Electricity Limited,

Chart 3.4: Distribution of Public Sector External Debt

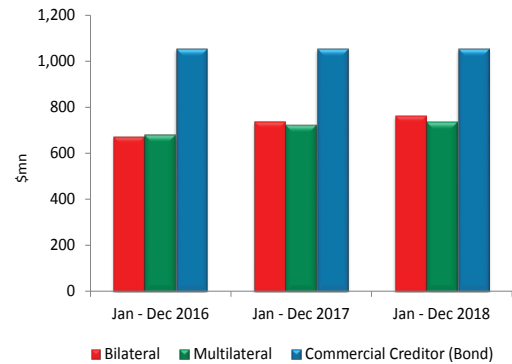


Chart 3.5: Disbursement of Central Government's External Debt

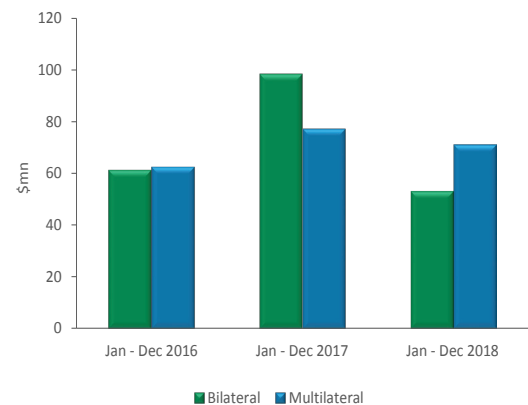
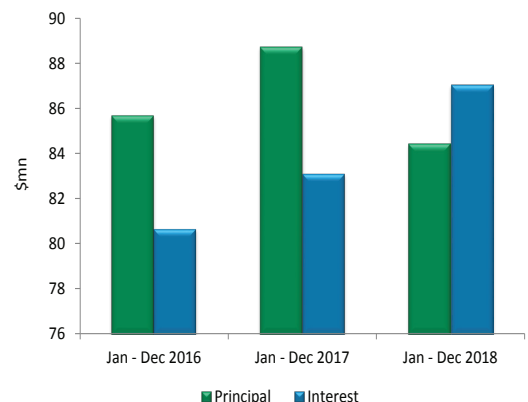


Chart 3.6: External Debt Service Payments



while Atlantic International Bank Limited and the International Cooperation & Development Fund disbursed \$26.6mn combined to BTL for its national broadband project. As for the financial public sector, CDB disbursed \$9.2mn to the Development Finance Corporation.

- Central Government's amortisation payments totalled \$80.5mn. Repayments to multilateral creditors summed to \$52.4mn, while the Republic of China/Taiwan and the Government of Kuwait (bilateral creditors) received \$26.2mn and \$1.9mn, respectively. Loan repayments by the non-financial and financial public sector were more modest at \$3.0mn and \$0.9mn, respectively.
- Payments of interests and other fees by the public sector summed to \$87.1mn. Interest payments to commercial creditors on the 2034 bond amounted to \$52.0mn, while payments to multilateral and bilateral creditors on concessional loans were relatively smaller at \$24.0mn and \$11.0mn each.

Chart 3.7: Principal Payments on Central Government's External Debt

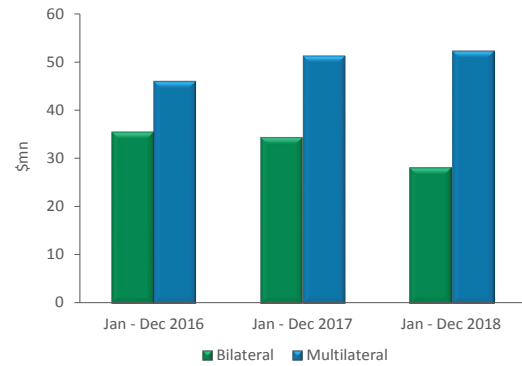
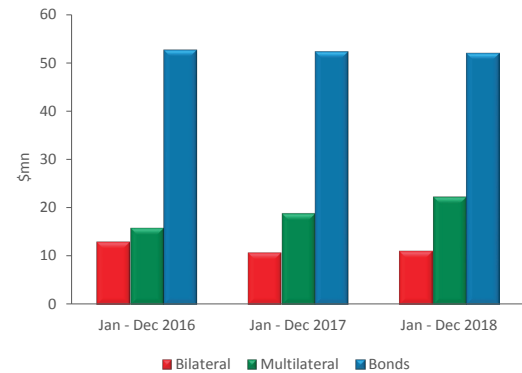


Chart 3.8: Interest Payment on Central Government's External Debt



Statistical Appendix

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

	\$mn			
	Position as at Dec 2018	Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
Net Foreign Assets	854.7	40.4	-4.6	-127.2
Central Bank	590.7	14.8	-37.8	-123.5
Domestic Banks	264.0	25.6	33.2	-3.7
Net Domestic Credit	2,702.8	-5.5	87.6	81.4
Central Government (Net)	579.2	-10.0	-11.8	76.4
Other Public Sector	49.5	0.0	42.8	-1.6
Private Sector	2,074.1	4.5	56.6	6.6
Central Bank Foreign Liabilities (Long-term)	49.8	0.3	-1.2	2.9
Other Items (Net)	490.4	0.2	5.4	-36.8
Money Supply (M2)	3,017.3	34.4	78.8	-11.9

⁽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			
	Position as at Dec 2018	Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
Net Foreign Assets of the Banking System	854.7	40.4	-4.6	-127.2
Net Foreign Assets of the Central Bank	590.7	14.8	-37.8	-123.5
Central Bank Foreign Assets	593.3	14.8	-37.0	-128.9
Central Bank Foreign Liabilities (Demand)	2.6	0.0	0.8	-5.4
Net Foreign Assets of Domestic Banks	264.0	25.6	33.2	-3.7
Domestic Banks' Foreign Assets	271.1	23.9	35.2	-15.8
Domestic Banks' Foreign Liabilities (Short-term)	7.1	-1.7	2.0	-12.1

Table A.3: Net Domestic Credit

		\$mn		
		Changes During		
	Position as at Dec 2018	Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
Total Credit to Central Government	708.0	-6.6	10.2	94.9
From Central Bank	364.6	-6.8	-23.5	17.7
Loans and Advances	52.1	-20.8	4.9	-1.0
Government Securities ⁽¹⁾	312.5	14.0	-28.4	18.7
From Domestic Banks	343.4	0.2	33.7	77.2
Loans and Advances	3.7	0.1	2.5	-1.7
Government Securities	339.7	0.1	31.2	78.9
Of which: Treasury bills ⁽²⁾	187.6	0.1	50.9	-15.0
Treasury notes	152.1	0.0	-19.7	93.9
Other	0.0	0.0	0.0	0.0
Less Central Government Deposits	128.8	3.4	22.0	18.5
With Central Bank	101.8	2.4	13.7	27.4
With Domestic Banks	27.0	1.0	8.3	-8.9
Net Credit to Central Government	579.2	-10.0	-11.8	76.4
Credit to Other Public Sector	49.5	0.0	42.8	-1.6
From Central Bank	0.0	0.0	0.0	0.0
From Domestic Banks	49.5	0.0	42.8	-1.6
Of which: Local Government	2.8	-0.2	0.9	1.4
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	42.1	-0.1	41.7	-0.7
Other Statutory Bodies	2.0	0.3	0.2	-2.3
Securities	2.6	0.0	0.0	0.0
Plus Credit to the Private Sector	2,074.1	4.5	56.5	6.6
Loans and Advances	2,073.7	4.5	56.5	6.6
Securities	0.4	0.0	0.0	0.0
Net Domestic Credit of the Banking System ⁽³⁾	2,702.8	-5.5	87.6	81.4

⁽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			
	Position as at Dec 2018	Changes During		
		Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
PRIMARY SECTOR	200.7	0.4	-76.6	19.5
Agriculture	171.3	0.3	-69.1	37.6
Sugar	85.6	0.4	-2.0	15.2
Citrus	14.5	0.1	-0.2	2.5
Bananas	22.8	0.7	-58.5	12.0
Other	48.4	-0.9	-8.4	7.9
Marine Products	25.1	0.1	-8.5	-2.6
Forestry	0.8	0.0	0.3	-0.5
Mining and Exploration	3.5	0.0	0.7	-15.0
SECONDARY SECTOR	731.9	1.8	112.3	-3.6
Manufacturing	77.5	0.4	42.7	-3.5
Building and Construction	595.5	1.2	24.2	-3.2
Utilities	58.9	0.2	45.4	3.1
TERTIARY SECTOR	735.9	-5.8	55.1	-18.9
Transport	59.5	1.6	2.2	2.7
Tourism	142.3	-0.3	26.1	-14.3
Distribution	177.7	-8.2	19.4	-0.7
Real Estate	294.2	1.9	3.3	-2.5
Professional Services	49.7	-0.3	-0.4	1.3
Other ⁽¹⁾	12.5	-0.5	4.5	-5.4
PERSONAL LOANS	451.4	8.2	10.9	6.2
TOTAL	2,119.9	4.6	101.7	3.2

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

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

		\$mn		
		Changes During		
	Position as at Dec 2018	Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
Holdings of Approved Liquid Assets	863.5	8.9	-5.5	-188.4
Notes and Coins	86.5	-9.5	11.0	0.1
Balances with Central Bank	426.4	-2.2	-81.4	-148.5
Money at Call and Foreign Balances (due 90 days)	142.7	13.2	49.4	-44.7
Central Government Securities maturing within 90 days ⁽¹⁾	209.0	8.8	50.0	-19.0
Other Approved Assets	-1.1	-1.4	-34.5	23.7
Required Liquid Assets	622.8	-2.0	23.0	-13.8
Excess/(Deficiency) Liquid Assets	240.7	10.9	-28.5	-174.6
Daily Average Holdings of Cash Reserves	426.8	0.2	-78.9	-147.2
Required Cash Reserves	230.2	-0.7	8.5	-5.1
Excess/(Deficiency) Cash Reserves	196.6	0.9	-87.4	-142.1
Actual Securities Balances ⁽²⁾	187.7	0.0	51.0	-15.0
Excess/(Deficiency) Securities	187.7	0.0	51.0	-15.0

⁽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 Dec 2018	Nov 2018 to Dec 2018	Dec 2017 to Dec 2018	Dec 2016 to Dec 2017
Weighted Lending Rates				
Personal Loans	10.79	0.40	-0.52	-0.32
Commercial Loans	8.68	0.01	-0.44	-0.39
Residential Construction	7.01	-0.22	-0.16	-0.40
Other	6.68	-0.01	-0.05	-0.47
Weighted Average	8.98	0.02	-0.36	-0.32
Weighted Deposit Rates				
Demand	0.01	0.00	0.00	0.00
Savings/Chequing	0.48	0.00	-0.01	-0.13
Savings	2.72	0.01	0.22	0.10
Time	1.95	-0.01	-0.13	-0.12
Weighted Average	1.24	-0.01	0.03	-0.07
Weighted Average Spread	7.74	0.03	-0.39	-0.25

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

	Percent				
	Twelve Month Rolling Averages at			Monthly Change	Annual Change
	Dec 2018	Nov 2018	Dec 2017	Dec 2018 over Nov 2018	Dec 2018 over Dec 2017
Weighted Lending Rates					
Personal Loans	9.90	9.95	10.01	-0.05	-0.11
Commercial Loans	8.38	8.47	8.85	-0.10	-0.47
Residential Construction	7.11	7.00	6.98	0.11	0.13
Other	6.42	6.37	6.47	0.04	-0.05
Weighted Average	8.62	8.66	9.02	-0.04	-0.39
Weighted Deposit Rates					
Demand	0.00	0.00	0.00	0.00	0.00
Savings/Chequing	0.64	0.60	1.38	0.04	-0.74
Savings	2.48	2.50	2.05	-0.01	0.43
Time	1.77	1.81	1.92	-0.03	-0.15
Weighted Average	1.46	1.45	1.70	0.01	-0.25
Weighted Average Spread	7.17	7.22	7.31	-0.05	-0.14

Table A.8: Tourist Arrivals

	Jan - Dec 2017	Jan - Dec 2018
Air	320,549	360,405
Land	60,803	71,749
Sea	7,806	6,106
Stay-over Visitors	389,158	438,224
Cruise Ship Disembarkations	912,809	1,087,323

Sources: BTB and CBB

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

Major Commodity	Weights	Nov 2018	Dec 2018	Percentage Change	
				Dec 2018 over Nov 2018	YTD 2018 over YTD 2017
Food and Non-Alcoholic Beverages	195	105.1	105.1	0.0	-0.5
Alcoholic Beverages and Tobacco	17	106.6	106.7	0.1	1.8
Clothing and Footwear	83	97.9	97.9	0.0	-0.1
Housing, Water, Electricity, Gas, and Other Fuels	265	105.5	105.5	0.0	0.8
Furnishing, Household Equipment, and Routine Household Maintenance	69	100.9	101.0	0.0	0.1
Health	41	118.8	118.8	0.0	3.3
Transport	136	107.3	106.2	-1.0	-0.4
Communication	33	101.1	101.1	0.0	0.2
Recreation and Culture	69	106.1	106.0	-0.1	-0.1
Education	32	105.3	105.3	0.0	0.5
Restaurants and Hotels	7	115.5	115.5	0.0	1.7
Miscellaneous Goods and Services	52	105.3	105.3	0.0	0.9
All Items	1,000	105.1	105.0	-0.1	0.3

Source: SIB

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

	Dec 2017	Dec 2018
Deliveries of Sugarcane (long tons)	147,835	89,593
Sugar Processed (long tons)	13,414	8,153
Molasses Processed (long tons)	3,514	1,798
Performance		
Factory Time Efficiency (%)	94.2	95.7
Cane Purity (%)	85.7	86.1
Cane/Sugar	10.2	9.8

Sources: BSI and Santander Group

Table A.11: Exports of Sugar and Molasses

	Dec 2017		Dec 2018		Jan - Dec 2017		Jan - Dec 2018	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	197	242	997	1,118	158,028	148,117	158,897	112,093
E.U.	0	0	848	996	140,558	128,075	143,360	95,800
USA	0	0	0	0	15,772	17,352	10,868	11,636
Caricom	197	242	149	122	1,653	2,537	4,532	4,493
Other	0	0	0	0	45	151	138	165
Molasses	0	0	0	0	42,980	9,048	41,161	6,611

Sources: BSI and Santander Group

Table A.12: Citrus Deliveries and Production

	Dec 2017	Dec 2018	Oct - Dec 2017/2018	Oct - Dec 2018/2019
Deliveries (boxes)				
Orange	0	30,961	58,395	60,120
Grapefruit	37,913	43,951	83,588	176,366
Total	37,913	74,912	141,983	236,486
Concentrate Produced (ps)				
Orange	0	178,874	318,732	338,137
Grapefruit	208,504	186,880	339,317	764,891
Total	208,504	365,754	658,049	1,103,028
Not from concentrate (ps)				
Orange	0	0	0	0
Grapefruit	0	0	0	0
Total	0	0	0	0
Pulp (pounds)				
Orange	0	0	0	0
Grapefruit	53,424	50,880	61,480	227,264
Total	53,424	50,880	61,480	227,264
Oil Produced (pounds)				
Orange	0	16,400	16,400	17,200
Grapefruit	5,200	8,000	8,000	27,600
Total	5,200	24,400	24,400	44,800

Source: CPBL

Table A.13: Export Sales of Citrus Products

	Dec 2017		Dec 2018		Jan - Dec 2017		Jan - Dec 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	349	1,189	576	2,185	7,235	26,856	7,204	26,984
Grapefruit	0	0	4	28	332	1,235	282	1,471
Europe								
Orange	261	886	142	430	3,877	11,168	2,691	8,250
Grapefruit	31	114	93	583	591	2,134	355	1,605
Other								
Orange	0	0	0	0	0	0	68	225
Grapefruit	0	0	0	0	120	442	132	714
Sub-Total ⁽¹⁾	641	2,189	816	3,225	17,165	57,028	16,370	54,663
Orange	610	2,075	719	2,615	16,122	53,218	15,600	50,873
Grapefruit	31	114	98	611	1,043	3,810	770	3,790
Not-From-Concentrate								
Sub-Total	0	0	0	0	57	306	59	310
Orange	0	0	0	0	47	246	48	248
Grapefruit	0	0	0	0	10	61	11	62
Total Citrus Juices	641	2,189	816	3,225	17,222	57,335	16,429	54,973
Pulp (pounds '000)								
Total ⁽¹⁾	10	11	28	23	1,351	1,062	2,422	1,826
Orange	10	11	28	23	1,351	1,062	2,316	1,744
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

	Dec 2017	Dec 2018	Jan - Dec 2017	Jan - Dec 2018
Volume (metric tons)	6,354	7,859	84,733	80,394
Value (\$'000)	5,433	6,382	83,439	74,354

Source: BGA

Table A.15: Marine Exports

	Jan - Dec 2017		Jan - Dec 2018	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	1,044	23,349	954	23,867
Shrimp	1,161	9,138	1,191	5,372
Conch	595	7,318	883	13,097
Other Fish	195	249	22	54
Total	2,995	40,054	3,050	42,390

Source: SIB

Table A.16: Other Domestic Exports

	Jan - Dec 2017	Jan - Dec 2018
Other Domestic Exports (\$'000)	77,741	75,363
Of which:		
Pepper Sauce	3,746	8,849
Red Kidney Beans	8,152	9,395
Orange Oil	10,981	6,757
Grapefruit Oil	576	1,663
Animal Feed	13,638	15,013

Source: SIB

Table A.17: Petroleum Production and Exports

	Dec 2017	Dec 2018	Jan - Dec 2017	Jan - Dec 2018
Crude Oil Production				
Never Delay (Barrels)	450	320	2,731	3,953
Spanish Lookout (Barrels)	27,251	22,169	357,480	297,520
Crude Oil Export				
Volume (Barrels)	0	0	267,071	199,649
Value (\$'000)	0	0	22,549	24,435

Source: Petroleum and Geology Department

Table A.18: Central Government Revenue and Expenditure

	\$'000					
	Approved Budget 2018/2019	Jan 2017 to Nov 2017	Jan 2018 to Nov 2018 ^(P)	Apr 2017 to Nov 2017	Apr 2018 to Nov 2018 ^(P)	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,183,327	991,531	1,068,734	730,379	770,715	65.1%
1). Current Revenue	1,134,915	965,379	1,034,452	717,570	755,133	66.5%
Tax Revenue	1,022,580	878,533	931,601	644,306	684,057	66.9%
Income and Profits	277,322	247,631	259,579	178,659	187,917	67.8%
Taxes on Property	6,421	6,352	5,227	4,219	3,220	50.1%
Taxes on Goods and Services	568,542	480,125	517,486	354,104	381,114	67.0%
International Trade and Transactions	170,296	144,425	149,309	107,325	111,806	65.7%
Non-Tax Revenue	112,335	86,845	102,851	73,263	71,075	63.3%
Property Income	30,021	12,612	22,594	11,167	13,069	43.5%
Licences	16,947	16,415	23,570	12,035	17,006	100.3%
Other	65,367	57,818	56,687	50,061	41,000	62.7%
2). Capital Revenue	3,301	1,871	2,595	1,242	2,149	65.1%
3). Grants	45,111	24,282	31,687	11,568	13,433	29.8%
TOTAL EXPENDITURE (1+2)	1,208,717	1,085,008	1,104,017	747,597	771,781	63.9%
1). Current Expenditure	1,051,354	928,101	963,831	658,849	679,864	64.7%
Wages and Salaries	431,681	385,681	396,763	283,700	290,037	67.2%
Pensions	91,428	85,468	87,814	64,486	66,653	72.9%
Goods and Services	238,375	193,643	208,250	131,658	139,329	58.4%
Interest Payments on Public Debt	111,901	107,794	113,611	65,058	70,805	63.3%
Subsidies and Current Transfers	177,968	155,515	157,393	113,947	113,040	63.5%
2). Capital Expenditure	157,364	156,907	140,186	88,748	91,918	58.4%
Capital II (Local Sources)	61,921	81,932	55,431	37,511	38,502	62.2%
Capital III (Foreign Sources)	93,144	72,764	77,032	50,060	45,692	49.1%
Capital Transfer and Net Lending	2,299	2,212	7,723	1,177	7,723	336.0%
CURRENT BALANCE	83,561	37,277	70,621	58,721	75,268	90.1%
PRIMARY BALANCE	86,511	14,318	78,328	47,841	69,737	80.6%
OVERALL BALANCE	(25,390)	(93,477)	(35,283)	(17,218)	(1,067)	4.2%
Primary Balance less grants	41,400	(9,965)	46,641	36,273	56,304	136.0%
Overall Balance less grants	(70,502)	(117,759)	(66,970)	(28,786)	(14,500)	20.6%
FINANCING	25,390	93,477	35,283	17,218	1,067	
Domestic Financing		320,853	5,981	276,262	(28,394)	
Central Bank		420	(27,888)	(42,366)	(40,607)	
Net Borrowing		34,767	(16,744)	(20,310)	(7,137)	
Change in Deposits		(34,347)	(11,144)	(22,057)	(33,470)	
Commercial Banks		80,652	23,335	94,487	8	
Net Borrowing		78,302	30,624	85,340	7,974	
Change in Deposits		2,350	(7,289)	9,147	(7,966)	
Assumption of UHS Liability		91,000	0	91,000	0	
International Banks		1,907	(718)	1,951	(539)	
Other Domestic Financing		146,874	11,252	131,190	12,744	
Financing Abroad		77,517	2,527	51,551	5,530	
Disbursements		156,836	76,471	111,821	62,227	
Amortisation		(79,318)	(73,944)	(60,270)	(56,697)	
Nationalisation of BTL		(208,316)	0	(208,316)	0	
Other		(96,577)	26,775	(102,280)	23,932	

Sources: CBB and MOF

^P - Provisional

Table A.19: Central Government Domestic Debt 2018

	Disbursed Outstanding Debt 31/12/17 ^R	TRANSACTIONS THROUGH DECEMBER 2018				Disbursed Outstanding Debt 31/12/18 ^P
		Disbursement/ New Issue of Securities	Amortisation/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	47,235	0	0	3,874	4,828	52,064
Central Bank	47,235	0	0	3,874	4,828	52,064
Domestic Banks	0	0	0	0	0	0
Treasury Bills	245,000	0	0	1,926	0	245,000
Central Bank	106,823	0	0	592	(55,753)	51,070
Domestic Banks	136,700	0	0	1,323	50,856	187,556
Other	1,477	0	0	11	4,897	6,374
Treasury Notes	640,000	51,008	36,008	28,579	0	655,000
Central Bank	234,100	40,808	9,808	9,643	(3,636)	261,464
Domestic Banks	171,771	10,000	25,000	6,845	(4,653)	152,118
Other	234,129	200	1,200	12,090	8,289	241,418
Belize Bank Limited ⁽¹⁾	91,000	0	0	0	0	91,000
Heritage Bank Limited	1,020	0	786	66	0	234
Belize Social Security Board ⁽²⁾	311	0	47	24	0	264
Fort Street Tourism Village	0	215	215	0	0	0
Debt for Nature Swap	1,970	0	183	55	0	1,787
Total	1,026,537	51,223	37,240	34,524	4,828	1,045,349

^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 DECEMBER 2018			Disbursed Outstanding Debt 31/12/18 ^P	
		Disbursements	Principal Payments	Interest & Other Payments		Parity Change
CENTRAL GOVERNMENT	2,417,161	92,183	80,518	85,327	-610	2,428,217
Government of Venezuela ⁽¹⁾	419,615	9,835	0	589	0	429,450
Kuwait Fund for Arab Economic Development	26,512	0	1,925	878	-139	24,447
Mega International Commercial Bank Company LTD.	50,000	0	0	2,154	0	50,000
Republic of China	241,601	20,771	26,229	7,390	0	236,143
Caribbean Development Bank	259,751	23,288	23,294	9,068	0	259,745
Caricom Development Fund	2,571	0	836	68	0	1,735
European Economic Community	8,442	0	850	62	-352	7,240
Inter-American Development Bank	228,478	24,581	18,861	7,595	0	234,198
International Fund for Agriculture Development	2,924	0	330	66	-119	2,475
International Bank for Reconstruction and Development	32,242	4,200	1,547	1,123	0	34,895
Opec Fund for International Development	70,574	2,561	4,872	2,949	0	68,263
Central American Bank for Economic Integration	21,447	6,947	1,774	1,393	0	26,621
Bank of New York	1,053,004	0	0	51,992	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	22,620	27,072	3,027	776	0	46,665
Caribbean Development Bank ⁽²⁾⁽³⁾	22,620	510	3,027	772	0	20,103
Atlantic International Bank Limited	0	4,000	0	3	0	4,000
International Cooperation & Development Fund	0	22,562	0	0	0	22,562
FINANCIAL PUBLIC SECTOR	73,905	9,178	900	933	-1,196	80,988
Caribbean Development Bank	22,845	9,178	863	932	0	31,160
European Economic Community	93	0	37	1	-2	54
International Monetary Fund ⁽⁴⁾	50,968	0	0	0	-1,193	49,774
GRAND TOTAL	2,513,687	128,433	84,445	87,059	-1,805	2,555,870

^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 December 2018 amount to principal of \$19.8mn and interest of \$4.6mn.

⁽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.