



CENTRAL BANK  

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of BELIZE



## MONTHLY ECONOMIC HIGHLIGHTS

OCTOBER 2016

# List of Acronyms and Abbreviations

## **Acronyms:**

BCB	British Caribbean Bank
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
BSWL	Belize Water Services 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
FY	Fiscal Year
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
VPCA	Venezuelan Petrocaribe Agreement

## **Abbreviations and Conventions:**

\$	refers to the Belize dollar unless otherwise stated
bn	denotes billion
mn	denotes million
ps	pound solids
TC/TS	Tons Cane to Tons Sugar

## **Notes:**

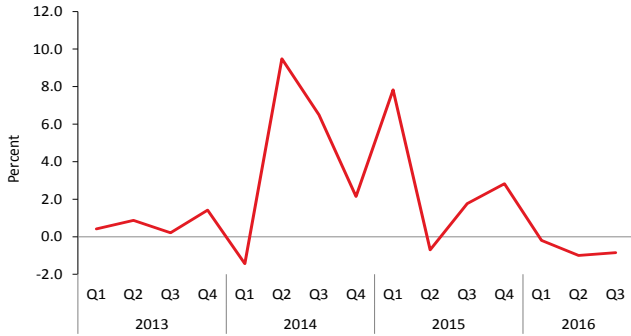
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2016 figures in this report are provisional and the figures for 2015 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.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

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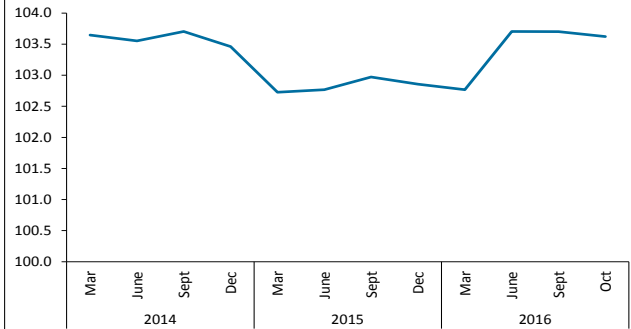
# Summary of Economic Indicators

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



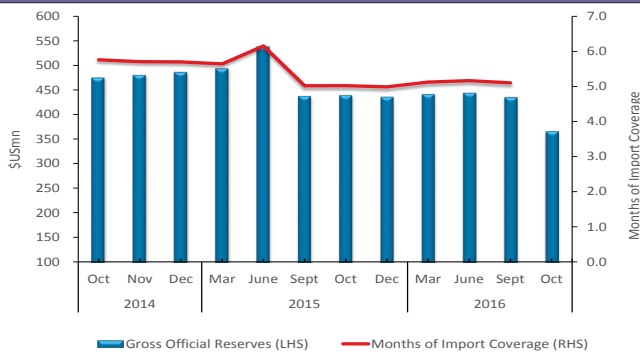
Source: SIB

**Chart II: Consumer Price Index (All Items)**

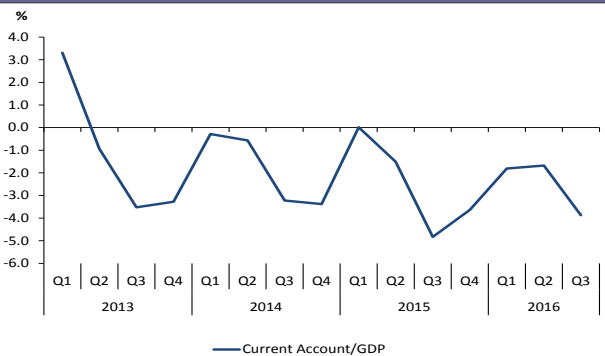


Source: SIB

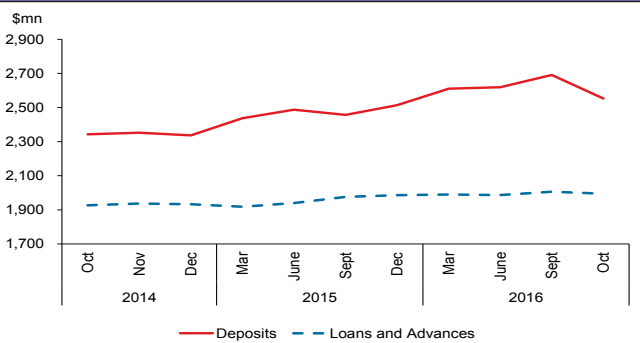
**Chart III: Gross International Reserves and Import Cover**



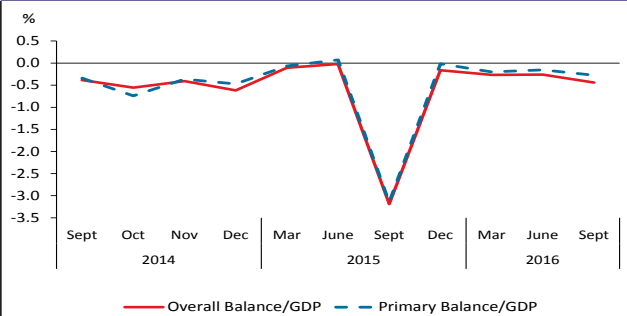
**Chart IV: Current Account Balance to GDP**



**Chart V: Domestic Banks - Deposits and Loans and Advances**

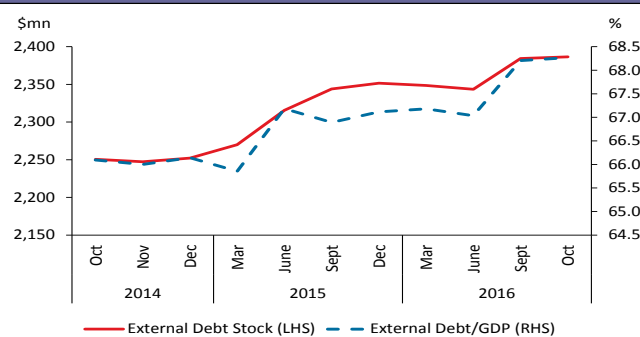


**Chart VI: Primary and Overall Balances to GDP**

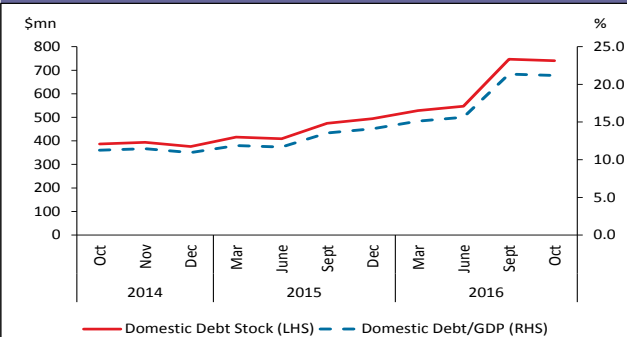


Sources: MOF and CBB

**Chart VII: Public Sector External Debt**



**Chart VIII: Central Government Domestic Debt**



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## Overview

- The external payment in October for the BTL settlement notably reduced the net foreign assets of the banking system, causing the expansion in broad money supply (M2) to be scaled back from 6.2% at the end of September to only 1.9% at the end of October.
- The Central Bank's net foreign assets fell by \$141.0mn in October and by \$145.0mn over the reporting period, as outflows to meet the public sector's external debt service and the extraordinary payments to cover the foreign currency portion of the Belize Telemedia Limited settlement in July and October outweighed inflows of \$363.5mn.
- Central Government's net borrowing of \$202.1mn accounted for most of the growth in net domestic credit. The domestic banks recorded a net increase of \$10.7mn in private sector loans that were mostly for tourism-related activities. Lending by the five largest credit unions rose by \$35.5mn, compared to \$26.8mn during the same period of 2015.
- Holdings of statutory liquid assets were 66.6% above the required level, and excess cash holdings stood at 175.3% of the legal requirement.
- Compared to a year ago, the 12-month (rolling) weighted average interest rates on new loans decreased by 46 basis points to 9.28%, while that on new deposits declined by 17 basis points to 1.73%, respectively. As a result, the weighted average interest rate spread narrowed by 30 basis points to 7.55%.
- Central Government's fiscal outturn improved during the first half of the 2016/2017 fiscal year (FY) as the primary balance swung from a deficit of 2.8% of GDP to a surplus of 1.0% of GDP, and the deficit in the overall balance decreased from 4.1% of GDP to 0.4% of GDP.
- The public sector debt expanded by 9.8% during the first 10 months of 2016 and stood at 91.9% of GDP at the end of October. Domestic debt grew by \$245.9mn to 21.7% of GDP, and the public sector external debt rose by \$32.9mn to 70.1% of GDP.
- The merchandise trade deficit widened by 2.0%, compared to the similar 10-month period of 2015. The growing imbalance was due to a 24.4% reduction in export revenue, which reflected lower earnings from all the major domestic exports, except for citrus. Gross imports (including electricity) contracted by 5.0% to \$1,643.2mn with reductions in all categories of goods except for "*Food, Beverages and Tobacco*", "*Manufactured Goods*" and "*Machinery, Transport and Equipment*".
- The Consumer Price Index (CPI) did not change in October and remained 0.5% higher on average over the year to date. The latter was mainly attributable to higher fuel taxes, which drove up the cost of "*Transport*" services by 3.6%.

## Money and Credit

- Following a 6.2% growth up to September, expansion in broad money supply (M2) notably decelerated with the plunge in the Central Bank's foreign assets in October caused by the Belize Telemedia (BTL) settlement payment.
- M2 expanded by 1.9% over the 10-month period, as a \$211.0mn increase in net domestic credit was offset by a \$177.5mn contraction in the net foreign assets of the banking system.
- In the first 10 months of the year, the Central Bank's net foreign assets fell by \$145.0mn with outflows of \$505.7mn exceeding inflows of \$363.5mn. The bulk of the decline (\$141.0mn) occurred in October, largely due to the BTL settlement payment. External debt service and the BTL compensation payments accounted for 73.8% of total outflows. Compared to the same period of 2015, inflows from loan disbursements and sugar exports decreased by \$31.0mn and \$26.8mn, respectively.
- The domestic banks' net foreign assets grew by \$4.0mn in October but registered a year-to-date contraction of \$32.5mn as a result of Heritage Bank's acquisition of the local branch of First Caribbean International Bank, reduced earnings from major exports and disruptions in cross border flows due to correspondent banking issues.
- Net credit to Central Government rose by \$202.1mn with new securities being issued to cover payments for the BTL acquisition and other budgetary outlays. Of the securities issued, the domestic banks purchased \$104.0mn – \$26.1mn in Treasury bills and \$77.9mn in Treasury notes – and the Central

Chart 1.1: Net Foreign Assets and Net Domestic Credit

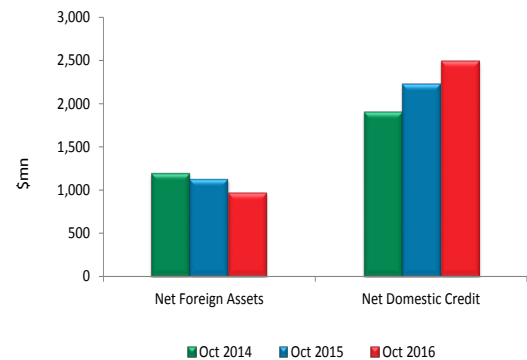
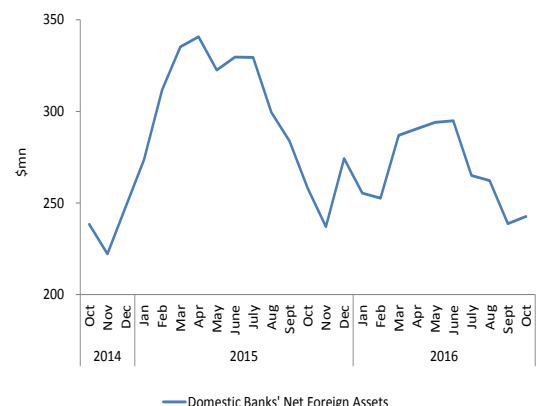


Table 1.1: Central Bank's Foreign Asset Flows

	\$mn	
	Jan-Oct 2015	Jan-Oct 2016
Total Inflows	371.5	363.5
Loan Disbursements	136.2	105.2
Sugar Receipts	71.3	44.5
Banks	73.2	145.4
Other	90.8	68.4
Total Outflows	466.4	505.7
Central Government	401.9	373.0
Banks	27.0	97.1
Other	37.5	35.6

Chart 1.2: Domestic Banks' Net Foreign Assets



Bank added \$88.4mn worth to its portfolio. Additionally, Central Government withdrew \$18.3mn from domestic banks, deposited \$15.7mn into the Central Bank and increased its overdraft facility by \$6.9mn to \$70.6mn (85.4% of its legal threshold).

- Net credit to the private sector declined by \$11.8mn in October largely due to write-offs in the banana industry and net repayments. A net increase of \$10.7mn was recorded over the year to date with disbursements channeled mostly into tourism-related projects (\$26.9mn), transportation (\$6.8mn) and marine production (\$6.5mn). Loan write-offs totalled \$45.7mn for the year to date compared to the \$15.8mn recorded in the same period of 2015.
- Net lending by the five largest credit unions rose by \$35.5mn, up from \$26.8mn in the same period of the previous year with higher disbursements for personal (\$15.7mn), residential construction (\$4.7mn), home improvement (\$4.5mn) and land acquisition (\$2.5mn) loans.
- In October, domestic banks' holdings of statutory liquidity contracted by \$87.5mn, following the removal of the local currency portion of the BTL settlement payment from deposits during the month. Since the beginning of the year, the statutory liquid assets of domestic banks rose by \$23.9mn to \$1,071.2mn, 66.6% above its required level. At the same time, excess cash reserves fell by \$29.0mn to \$416.7mn, which was still almost double the legal requirement of \$237.7mn.

Chart 1.3: Net Change in Lending by Domestic Banks

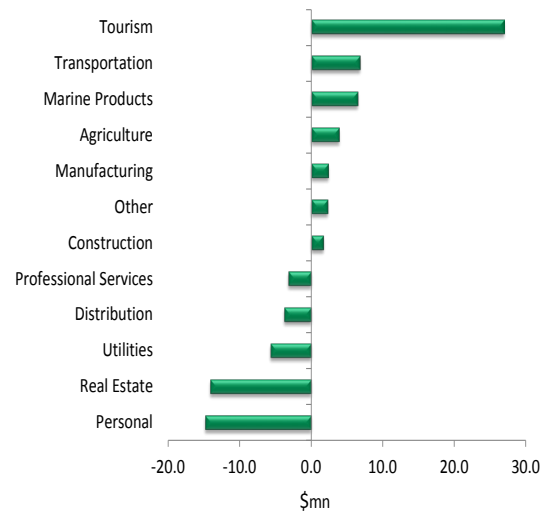


Chart 1.4: Net Change in Lending by Credit Unions

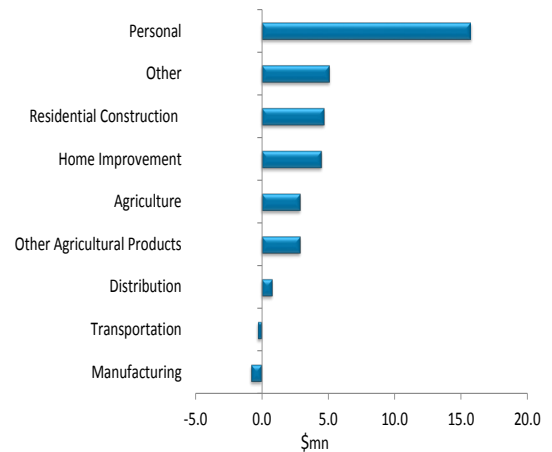
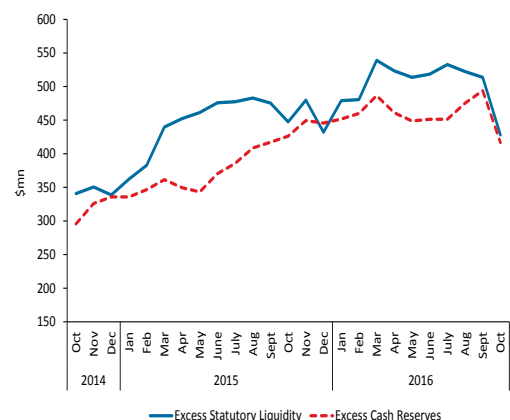
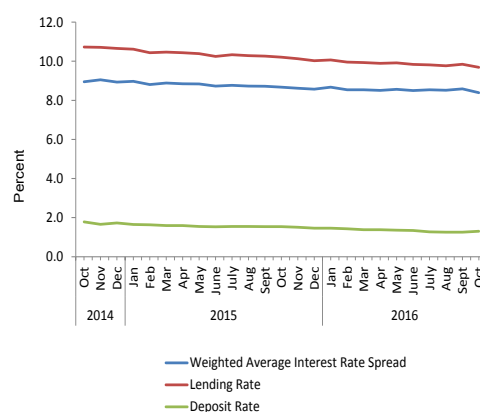


Chart 1.5: Excess Statutory Liquidity



- The 12-month (rolling) weighted average interest rate on new loans decreased by 29 basis points during the month and by 46 basis points relative to October 2015. The year-on-year decline reflected rate reductions on loans for personal, commercial and other miscellaneous purposes of 50, 61 and 30 basis points, respectively. These were partly offset by a 24-basis-point increase in loans for residential construction.
- The 12-month (rolling) weighted average interest rate on new deposits fell by one basis point over the month, and by 17 basis points when compared to October 2015. The latter reflected reductions in rates for time and saving/chequing deposits of 12 and 56 basis points, respectively, that outweighed a 32-basis-point increase on savings deposits. Consequently, the annual weighted average spread narrowed by 30 basis points to 7.55%.

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





## Real Sector Developments

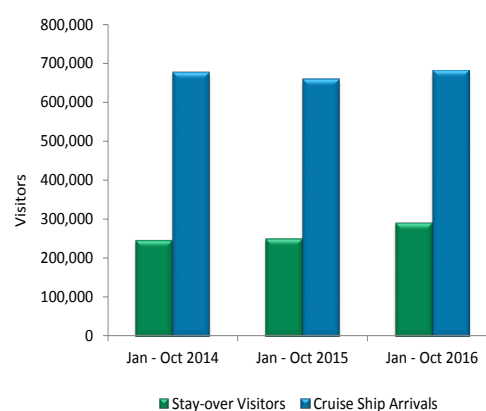
- Except for sugarcane and molasses, production of all major domestic exports contracted during the first 10 months of the year.
- On a brighter note, tourism remained buoyant, as stay-over arrivals rose by 16.2% to 291,136 visitors. This increase was driven by a 21.0% growth in air arrivals, which was boosted by an expansion in air-lift capacity, lower international air fares and sustained marketing efforts. Although port calls decreased by nine, cruise ship passenger disembarkation grew by 3.4% to 682,484 visitors due to visits by ships with larger capacity.
- The Consumer Price Index (CPI) was unchanged during the month, remaining an average of 0.5% above its December 2015 level due to higher prices for “*Transport*” services that reflected the pass-through of higher fuel taxes levied in December and February.
- Export revenues shrank by 24.4% to \$343.5mn, with declines across all major export commodities, except for citrus. Marine products and banana recorded the largest contractions in revenue of \$49.0mn and \$26.7mn, respectively.
- Gross imports (including electricity) fell by 5.0% to \$1,643.2mn, as increases in “*Machinery, Transport, and Equipment*” (\$53.4mn), “*Food, Beverages and Tobacco*” (\$8.8mn), and “*Manufactured Goods and Other Manufactures*” (\$3.9mn) were outweighed by decreases in the other categories, particularly “*Fuel, Lubricants and Crude Materials*” (\$57.2mn), “*Export Processing Zones*” (38.0mn) and “*Commercial Free Zone*” (\$37.5mn).

Table 2.1: Production of Main Domestic Exports

	Jan - Oct 2015	Jan - Oct 2016
Sugarcane Deliveries (long tons)	1,167,427	1,321,813
Sugar (long tons)	140,051	132,192
Molasses (long tons)	37,567	46,658
Bananas (metric tons)	86,649	61,038
Citrus Deliveries (boxes)	4,263,698	3,371,385
Citrus Juices ('000 ps)	26,648	20,224
Papaya ('000 lbs)	28,485	7,211
Marine Exports ('000 lbs)	10,738	2,402
Petroleum (barrels)	446,049	380,638

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

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

Table 2.2: Main Domestic Exports

	Jan - Oct 2015	Jan - Oct 2016
		\$mn
Sugar	120.3	102.4
Molasses	7.1	7.0
Bananas	88.0	61.3
Citrus	53.8	60.4
Petroleum	32.1	22.3
Other Domestic Exports	74.4	60.1
Of which: Papaya	11.7	3.8
Marine Exports	78.9	30.0
Total	454.6	343.5

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

## Sugar and Sugarcane

- There were no deliveries of sugarcane and production of sugar in October.
- Although no shipments occurred in October, the export volume of sugar for the year to date was up by 9.8% to 123,901 long tons. Receipts declined by 14.9% to \$102.4mn due to lower prices in the EU market, where 96.2% of the sugar was sold.

## Citrus

- There were no citrus deliveries and juice production this October, unlike October 2015 when grapefruit deliveries started late in the month.
- For the year to date, citrus juice exports contracted by 9.4% to 20.7mn pounds solid (ps), while revenue increased by 12.3% to \$60.4mn. The volume of orange concentrate sales fell by 12.6% to 18.7mn ps with the United States and the Caribbean accounting for 48.0% and 35.4% of sales volume, respectively. In contrast, revenues rose by 11.6% to \$53.3mn, driven by a 19.8% increase in the average price to \$2.59 per ps due to lower harvests by major orange producers (Brazil, Mexico and US). The average price in the Caribbean remained higher than other markets notwithstanding the 0.9% dip to \$3.26 per ps.
- Exports of grapefruit concentrate increased by 37.4% to 2.0mn ps, while revenue rose less than proportionately by 18.6% to \$6.8mn. The latter reflected average price declines of 18.7% and 0.3% in Europe and the Caribbean, respectively, where 64.8% and 30.0%, respectively, of export volume were sold.

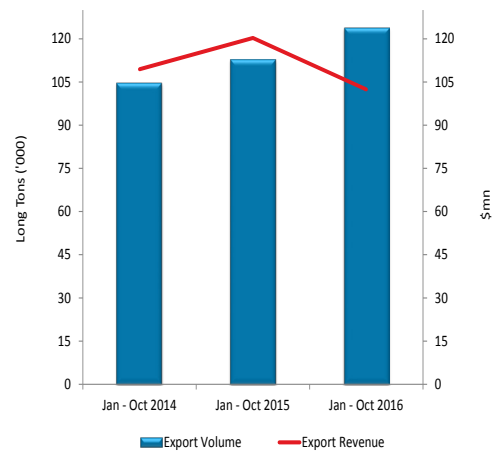
Table 2.3: Gross Imports by Standard International Trade Classification<sup>(1)</sup>

	Jan - Oct 2014	Jan - Oct 2015	Jan - Oct 2016
Food, Beverages and Tobacco	227.5	226.0	234.8
Fuels, Lubricants and Crude Materials	319.9	261.1	203.8
Of which: Electricity	36.5	40.2	19.4
Oils, Fats and Chemicals	151.2	169.1	150.5
Manufactured Goods and Other Manufactures	305.5	341.6	345.5
Machinery, Transport and Equipment	315.1	365.6	419.0
Other Goods	6.2	4.5	3.4
Export Processing Zones	152.0	101.2	63.2
Commercial Free Zone	199.9	260.4	222.9
<b>Total</b>	<b>1,677.1</b>	<b>1,729.4</b>	<b>1,643.2</b>

Sources: SIB and CBB

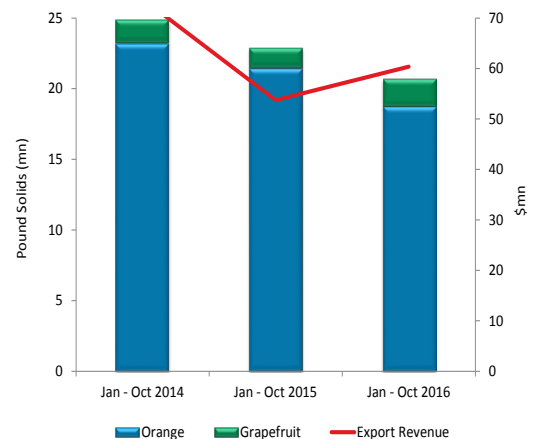
<sup>(1)</sup> Imports are valued at cost, insurance and freight.

Chart 2.2: Sugar Exports



Sources: BSI and Santander

Chart 2.3: Citrus Juice Export Volume and Revenue



Source: CPBL

## Banana

- Banana exports fell by 29.6% to 61,038 metric tons, and receipts shrank by 30.3% to \$61.3mn. The reduction was attributable to lower production arising from the loss of productive acreage due to US sanctions on the Meridian group, as well as damages from floods in late 2015 and from Hurricane Earl in August 2016.

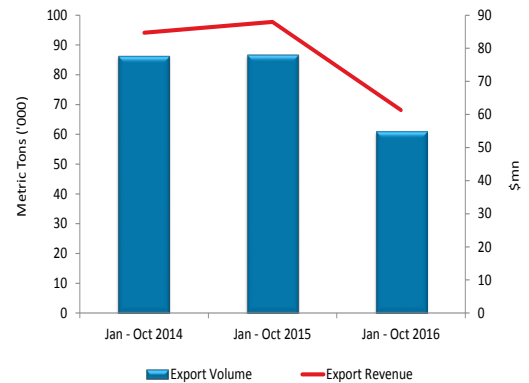
## Petroleum

- Oil production fell by 14.7% to 380,638 barrels, with the average daily extraction rate down by 219 barrels to 1,248 barrels per day. Operations were confined to the Spanish Lookout field, since low production and weak international prices have made the Never Delay field uneconomical to operate.
- Crude oil exports dipped by 3.6% to 335,183 barrels, while earnings fell by 30.4% to \$22.3mn, as the decline in export volume was exacerbated by a 27.8% decline in the average export price to US\$33.29 per barrel.

## Marine Exports

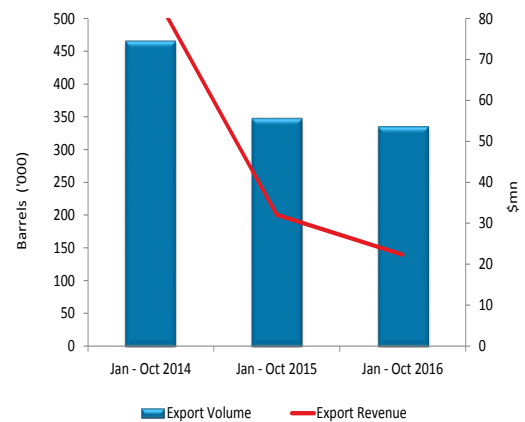
- Marine exports plunged by 77.6% to 2.4mn pounds, as a 91.4% reduction in farmed shrimp outweighed increased exports of conch (36.3%) and lobster (10.7%). Consequently, revenue declined by 62.0% to \$30.0mn.
- Following major losses in 2015 from the Early Mortality Syndrome, farmed shrimp production remained low in 2016 with a few shrimp farms starting field trials in July using new brood stock that are more resistant to bacterial infection before commencing commercial restocking.

Chart 2.4: Banana Exports



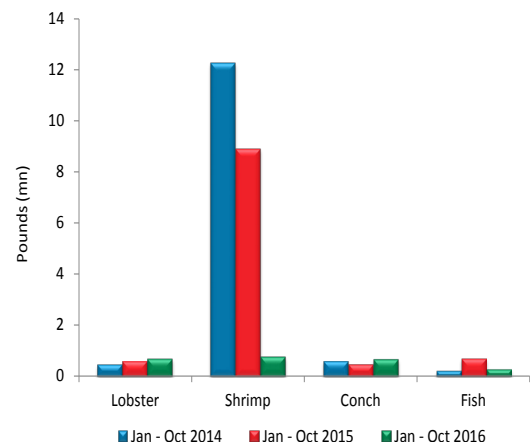
Source: BGA

Chart 2.5: Petroleum Exports



Source: Geology and Petroleum Department

Chart 2.6: Marine Export Volumes



Sources: SIB and CBB

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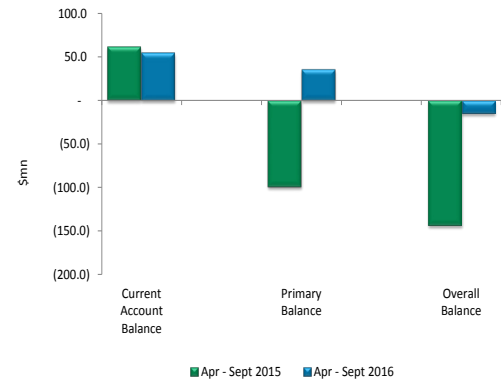
### **Other Domestic Products**

- Revenue from other domestic exports declined by 19.3% to \$60.1mn, with lower earnings from papaya (\$7.9mn), orange oil (\$2.1mn), and black-eyed peas (\$1.6mn) outweighing higher earnings from animal feed (\$0.8mn), pepper sauce (\$0.6mn) and pulp cells (\$0.6mn). Papaya receipts fell by 67.4% to \$3.8mn due to the earlier-than-anticipated closure of the foreign-owned papaya operations in June.

## Central Government Operations

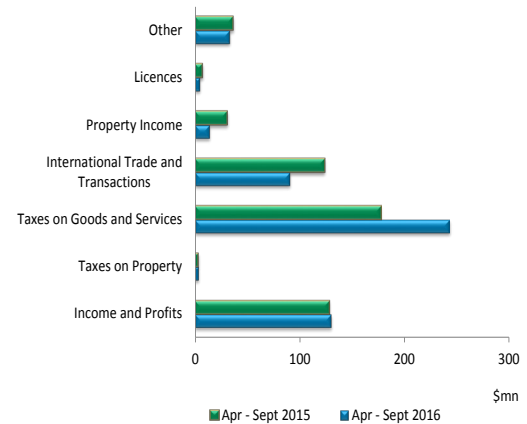
- Comparing the half-year performance (April to September) of the 2016/2017 fiscal year (FY) with that of the previous FY, Central Government's revenue and grants rose by 2.9% to \$537.6mn, which was 49.4% of the budget. Concurrently, expenditures fell by 17.0% to \$552.5mn, which was 48.0% of budget. As a result, the primary balance swung from a deficit of 2.8% of GDP in 2015/2016 to a surplus of 1.0% of GDP in 2016/2017, while the overall deficit decreased markedly from 4.1% of GDP to 0.4% of GDP over the same period.
- Even with a \$21.6mn drop in non-tax revenue due to lower receipts from the domestic oil industry, a smaller profit transfer from the Central Bank and the normalization of BTL dividend payments, total revenues rose by \$15.0mn. Collections of taxes on goods and services expanded by \$65.8mn, almost all of which came from excise duties, which were applied to replace import duties on fuel and revenue replacement duties on CARICOM goods. In addition, the scope of goods subject to excise duties was broadened in the amendment to the Customs and Excise Duties Act, which took effect on 1 April. As a consequence, taxes on international trade declined by \$32.7mn.
- Expenditure fell by \$113.2mn, as a 4.9% increase in current spending was outweighed by a 60.4% reduction in capital outlays. The expansion in current outlays reflected the lift in public officers' wages stemming from the 8.0% increase of July 2015. As a consequence, personal emoluments, pensions and domestic subsidies rose in aggregate by 3.5%. Capital spending and net lending stood at \$88.3mn, with 38.8% channelled into infrastructural projects.

Chart 3.1: Central Government Operations



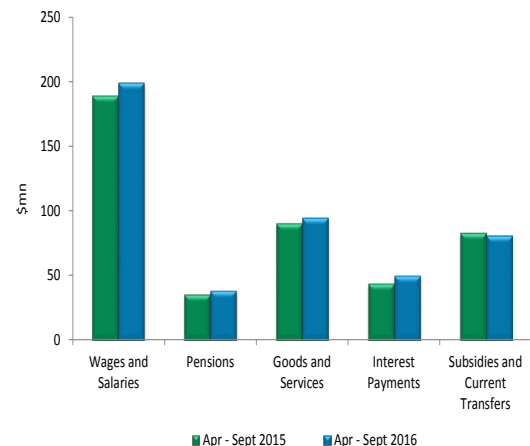
Sources: MOF and CBB estimates

Chart 3.2: Central Government Current Revenue



Sources: MOF and CBB estimates

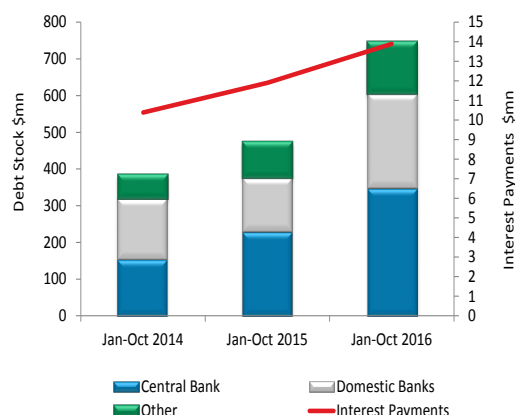
Chart 3.3: Central Government Current Expenditure



Sources: MOF and CBB estimates

- During the first half of the 2016/2017 FY, Central Government’s financing gap, which includes the overall deficit, principal repayments, and the BTL nationalization payment, was \$253.6mn. The bulk of the shortfall was financed domestically mostly through the issuance of new government securities (73.4%), the balance (26.6%) coming from external sources. The debt dependency ratio (new borrowings to expenditure) stood at 34.9%, which is well above the international threshold of 20.0%.

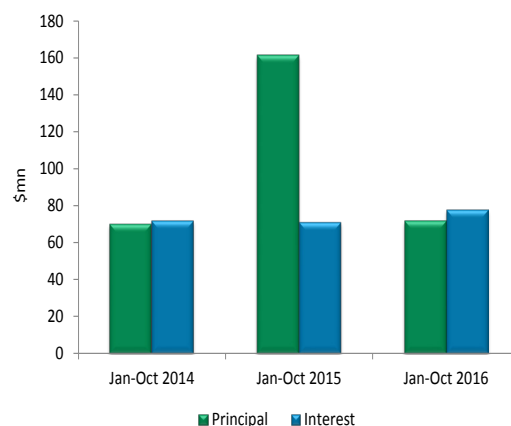
Chart 3.4: Central Government Domestic Debt



### Central Government Domestic Debt

- Central Government’s borrowing from domestic sources ballooned during the first 10 months of 2016 to meet payments associated with the BTL settlement, interest on the 2038 bond and other budgetary commitments. New securities totaling \$240.0mn, which consisted of \$15.0mn worth of Treasury bills in July and \$225.0mn in Treasury notes, were issued. The latter included the issuance of \$20.0mn each in February and March and a further \$185.0mn in July. In addition, an additional liability of \$0.4mn was incurred as a result of the dredging of the mouth of the Belize River by the Fort Street Tourism Village. Consequently, domestic debt rose by 49.7% from 14.2% of GDP at the end of December 2015 to 21.8% of GDP (\$740.4mn) at the end of October, while its share of total public sector debt increased from 17.4% at the end of December 2015 to 23.7% at the end of October.
- Over the year to date, amortization payments to domestic banks, the Fort Street Tourism Village, Debt for Nature Swap and the Belize Social Security Board amounted to \$1.4mn.

Chart 3.5: External Debt Service

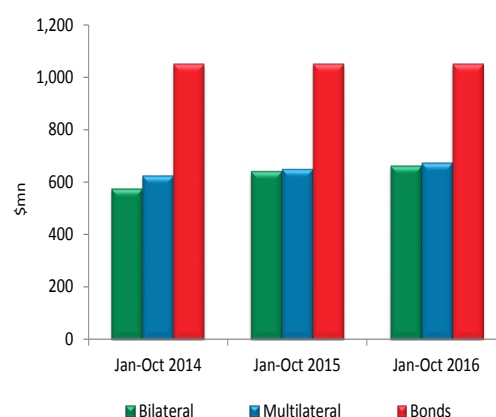


- At the end of October, the share of domestic debt held by the Central Bank fell from 49.7% to 46.1%, with the sale of \$129.0mn worth of Treasury notes and \$22.6mn worth of Treasury bills in the secondary market. The share held by the domestic banks increased from 30.9% to 34.5%, while the share held by non-bank entities remained at 19.4%.
- Interest payments totalled \$14.5mn, with \$10.0mn paid to the Central Bank on the overdraft facility and on its holdings of government securities, while non-bank entities and domestic banks received \$3.3mn and \$1.2mn, respectively.

### Public Sector External Debt

- The public sector external debt rose by 1.4% (\$33.0mn) to \$2,386.4mn during the 10-month period.
- Loan disbursements totalled \$105.2mn, of which Central Government received \$98.4mn, mainly from bilateral sources (\$50.1mn) and the Caribbean Development Bank (CDB). In addition, the Development Finance Corporation (DFC) obtained \$4.5mn and \$2.2mn went to non-financial public entities.
- Central Government amortized \$68.0mn, of which \$37.1mn was paid to multilateral creditors and \$30.9mn to bilateral lenders, particularly the Republic of China (ROC) and the Government of Venezuela.
- Loan repayments by the non-financial public sector amounted to \$3.0mn, while the financial public sector repaid \$0.8mn.

Chart 3.6: Public Sector External Debt



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- Interest and other payments totalled \$77.8mn, of which \$52.7mn went to the 2038 bond holders. Multilateral lenders were paid \$14.9mn, and \$10.3mn went to bilateral creditors.



## Statistical Appendix

Table A.1: Factors Responsible for Money Supply Movements<sup>(1)</sup>

	\$mn			
	Changes During			
	Position as at Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
Net Foreign Assets	972.4	-137.0	-177.5	-91.4
Central Bank	729.8	-141.0	-145.0	-101.3
Domestic Banks	242.6	4.0	-32.5	9.9
Net Domestic Credit	2,497.1	-4.1	211.0	291.5
Central Government (Net)	498.4	7.4	202.1	250.1
Other Public Sector	8.8	0.3	-1.8	-4.6
Private Sector	1,989.9	-11.8	10.7	46.0
Central Bank Foreign Liabilities (Long-term)	49.2	-0.8	-0.4	-1.9
Other Items (Net)	493.2	-14.8	-19.3	69.8
Money Supply (M2)	2,927.1	-125.5	53.2	132.2

<sup>(1)</sup> Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as this matter is under litigation.

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

	\$mn			
	Changes During			
	Position as at Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
Net Foreign Assets of the Banking System	972.4	-137.0	-177.5	-91.4
Net Foreign Assets of the Central Bank	729.8	-141.0	-145.0	-101.3
Central Bank Foreign Assets	740.2	-138.6	-142.3	-94.9
Central Bank Foreign Liabilities (Demand)	10.4	2.4	2.7	6.4
Net Foreign Assets of Domestic Banks	242.6	4.0	-32.5	9.9
Domestic Banks' Foreign Assets	254.8	2.5	-54.5	11.4
Domestic Banks' Foreign Liabilities (Short-Term)	12.2	-1.5	-22.0	1.5

Table A.3: Net Domestic Credit

		\$mn		
		Changes During		
	Position as at Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
Total Credit to Central Government	597.8	-7.0	199.5	66.1
From Central Bank	341.0	-6.3	95.3	85.3
Loans and Advances	70.6	-6.1	6.9	21.9
Government Securities <sup>(1)</sup>	270.4	-0.2	88.4	63.4
From Domestic Banks	256.8	-0.7	104.2	-19.2
Loans and Advances	2.8	-0.1	0.2	-0.7
Government Securities	254.0	-0.6	104.0	-18.5
Of which: Treasury bills <sup>(2)</sup>	176.1	-0.5	26.1	-18.5
Treasury notes	77.9	-0.1	77.9	0.0
Other	0.0	0.0	0.0	0.0
Less Central Government Deposits	99.4	-14.4	-2.6	-184.0
With Central Bank	72.2	-9.1	15.7	-186.0
With Domestic Banks	27.2	-5.3	-18.3	2.0
Net Credit to Central Government	498.4	7.4	202.1	250.1
Credit to Other Public Sector	8.8	0.3	-1.8	-4.6
From Central Bank	0.0	0.0	0.0	0.0
From Domestic Banks	8.8	0.3	-1.8	-4.6
Of which: Local Government	0.2	0.0	-0.5	-0.2
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	1.6	-0.2	-2.4	-3.2
Other Statutory Bodies	4.3	0.5	0.5	-1.2
Securities	2.6	0.0	0.6	0.0
Plus Credit to the Private Sector	1,989.9	-11.8	10.7	46.0
Loans and Advances	1,989.5	-11.8	10.7	46.0
Securities	0.4	0.0	0.0	0.0
Net Domestic Credit of the Banking System <sup>(3)</sup>	2,497.1	-4.1	211.0	291.5

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

<sup>(2)</sup> Treasury bill holdings reported by domestic banks reflect a mix of par and market values.

<sup>(3)</sup> 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 Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
PRIMARY SECTOR	262.7	-3.1	10.7	6.0
Agriculture	206.8	-3.4	3.9	3.8
Sugar	72.8	0.0	0.8	4.0
Citrus	12.0	0.2	-2.8	-1.4
Bananas	70.0	-5.7	-0.9	2.5
Other	52.0	2.1	6.8	-1.3
Marine Products	37.1	0.6	6.5	3.6
Forestry	0.8	-0.3	0.1	-0.9
Mining and Exploration	18.0	0.0	0.2	-0.5
SECONDARY SECTOR	628.1	-2.1	-1.6	33.8
Manufacturing	38.5	-1.1	2.4	10.9
Building and Construction	579.8	-0.4	1.7	28.2
Utilities	9.8	-0.6	-5.7	-5.3
TERTIARY SECTOR	689.2	-4.5	14.6	18.1
Transport	55.3	0.9	6.8	4.6
Tourism	122.9	1.9	26.9	6.8
Distribution	166.5	-7.6	-3.8	-5.0
Real Estate	279.1	-2.4	-14.1	13.0
Professional Services	48.8	-0.1	-3.2	3.6
Other <sup>(1)</sup>	16.6	2.8	2.0	-4.9
PERSONAL LOANS <sup>(2)</sup>	414.6	-2.0	-14.8	-17.0
TOTAL	1,994.6	-11.7	8.9	40.9

<sup>(1)</sup> Includes government services, financial institutions and entertainment.

<sup>(2)</sup> Changes due to reclassification from personal loans mainly to building and construction.

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

		\$mn		
		Changes During		
	Position as at Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
Holdings of Approved Liquid Assets	1,071.2	-87.5	23.9	145.6
Notes and Coins	70.4	-5.6	-6.6	-1.0
Balances with Central Bank	667.5	-68.1	0.6	104.6
Money at Call and Foreign Balances (due 90 days)	142.6	-3.5	-1.7	57.9
Treasury bills maturing in not more than 90 days <sup>(1)</sup>	176.2	-0.4	26.2	-18.5
Other Approved Assets	14.5	-9.9	5.4	2.6
Of which: Treasury notes	5.0	-3.8	5.0	0.0
Required Liquid Assets	643.1	-1.7	49.1	30.2
Excess/(Deficiency) Liquid Assets	428.1	-85.8	-25.2	115.4
Daily Average Holdings of Cash Reserves	654.4	-77.9	-10.8	101.6
Required Cash Reserves	237.7	-0.6	18.2	11.2
Excess/(Deficiency) Cash Reserves	416.7	-77.3	-29.0	90.4
Actual Securities Balances <sup>(2)</sup>	176.1	-0.5	26.1	-18.5
Excess/(Deficiency) Securities	176.1	-0.5	26.1	-18.5

<sup>(1)</sup> Four week average of domestic banks' Treasury bill holdings.

<sup>(2)</sup> 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 Oct 2016	Sept 2016 to Oct 2016	Dec 2015 to Oct 2016	Dec 2014 to Oct 2015
Weighted Lending Rates				
Personal Loans	11.53	-0.04	-0.07	-0.28
Commercial Loans	9.59	-0.26	-0.42	-0.45
Residential Construction	7.55	-0.04	-0.41	-0.71
Other	7.31	-0.10	-0.52	-0.56
Weighted Average	9.69	-0.16	-0.35	-0.45
Weighted Deposit Rates				
Demand	0.04	0.00	-0.06	-0.14
Savings/Chequing	0.70	0.08	-1.87	-0.01
Savings	2.34	0.01	-0.05	0.04
Time	2.23	-0.05	-0.21	-0.20
Weighted Average	1.30	0.04	-0.16	-0.19
Weighted Average Spread	8.39	-0.20	-0.18	-0.26

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
	Oct 2016	Sept 2016	Oct 2015	Oct 2016 over Sept 2016	Oct 2016 over Oct 2015
<b>Weighted Lending Rates</b>					
Personal Loans	10.24	10.19	10.74	0.05	-0.50
Commercial Loans	9.37	9.79	9.98	-0.42	-0.61
Residential Construction	6.96	6.96	6.72	0.00	0.24
Other	6.51	6.55	6.81	-0.04	-0.30
Weighted Average	9.28	9.57	9.74	-0.29	-0.46
<b>Weighted Deposit Rates</b>					
Demand	0.03	0.03	0.03	0.00	0.00
Savings/Chequing	0.89	0.98	1.45	-0.09	-0.56
Savings	2.42	2.42	2.10	0.00	0.32
Time	1.89	1.90	2.01	-0.01	-0.12
Weighted Average	1.73	1.74	1.90	-0.01	-0.17
Weighted Average Spread	7.55	7.83	7.85	-0.28	-0.30

Table A.8: Tourist Arrivals

	Jan - Oct 2015	Jan -Oct 2016
Air	203,097	245,743
Land	41,316	40,104
Sea	6,201	5,289
Stay-over Visitors	250,614	291,136
Cruise Ship Disembarkations	659,938	682,484

Sources: BTB and CBB

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

Major Commodity	Weights	Dec 2015	Sept 2016	Oct 2016	Monthly <sup>(1)</sup> Change	YTD <sup>(2)</sup> Change
Food and Non-Alcoholic Beverages	195	107.3	106.3	106.2	-0.0	-0.6
Alcoholic Beverages and Tobacco	17	100.2	100.9	101.2	0.3	-0.0
Clothing and Footwear	83	96.7	98.7	98.7	0.0	1.5
Housing, Water, Electricity, Gas, and Other Fuels	265	102.9	102.9	102.9	0.0	0.0
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.7	102.0	102.0	-0.0	0.2
Health	41	112.0	114.1	114.1	-0.0	1.6
Transport	136	96.0	101.7	101.4	-0.4	3.6
Communication	33	96.9	100.1	100.1	0.0	1.4
Recreation and Culture	69	106.7	107.5	107.5	-0.0	0.2
Education	32	103.6	103.4	103.4	0.0	-0.2
Restaurants and Hotels	7	109.7	109.8	109.8	0.0	0.3
Miscellaneous Goods and Services	52	106.4	102.7	102.7	-0.0	-0.9
All Items	1,000	102.9	103.7	103.6	-0.0	0.5

Source: SIB

<sup>(1)</sup> Percent change in CPI for October 2016 over September 2016.

<sup>(2)</sup> Percent change in CPI for January to October 2016 over December 2015.

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

	Oct 2015	Oct 2016	Dec - Oct 2014/2015	Dec - Oct 2015/2016
Deliveries of Sugarcane (long tons)	0	0	1,167,427	1,455,043
Sugar Processed (long tons)	0	0	140,051	143,937
Molasses Processed (long tons)	0	0	37,567	49,706
Performance				
Factory Time Efficiency (%)	0.00	0.00	97.92	93.15
Cane Purity (%)	0.00	0.00	87.88	84.85
Cane/Sugar	0.00	0.00	8.35	10.11

Sources: BSI and Santander

Table A.11: Exports of Sugar and Molasses

	Oct 2015		Oct 2016		Jan - Oct 2015		Jan - Oct 2016	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	6,873	7,639	0	0	112,859	120,302	123,901	102,409
E.U.	0	0	0	0	84,781	89,939	119,230	97,239
USA	6,750	7,520	0	0	24,563	26,598	2,411	2,555
Caricom	123	119	0	0	3,469	3,696	2,214	2,548
Other	0	0	0	0	45	68	45	68
Molasses	0	0	0	0	28,588	7,125	30,551	6,970

Source: BSI and Santander

Table A.12: Citrus Deliveries and Production

	Oct 2015	Oct 2016	Oct - Sept 2015/2016	Oct - Sept 2016/2017
Deliveries (boxes)				
Orange	0	0	0	0
Grapefruit	40,167	0	40,167	0
Total	40,167	0	40,167	0
Concentrate Produced (ps)				
Orange	0	0	0	0
Grapefruit	166,671	0	166,671	0
Total	166,671	0	166,671	0
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	0	0	0	0
Total	0	0	0	0
Oil Produced (pounds)				
Orange	0	0	0	0
Grapefruit	2,800	0	0	0
Total	2,800	0	0	0

Source: CPBL

Table A.13: Export Sales of Citrus Products

	Oct 2015		Oct 2016		Jan - Oct 2015		Jan - Oct 2016	
	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	0.0	0	11,472.4	24,800	8,982.6	23,261
Grapefruit	0.0	0	0.0	0	0.0	0	0.0	0
Caribbean								
Orange	724.2	2,385	653.7	2,159	6,612.8	21,716	6,625.6	21,568
Grapefruit	75.8	282	67.4	250	346.4	1,287	566.5	2,098
Europe								
Orange	90.9	270	295.2	802	3,216.5	923	3,002.3	8,170
Grapefruit	95.7	386	119.1	385	883.4	3,712	1,266.8	4,329
Other								
Orange	33.8	96	0.0	0	101.4	288	101.5	281
Grapefruit	0.0	0	30.0	92	191.8	738	120.2	380
Sub-Total <sup>(1)</sup>	1,020.3	3,419	1,165.5	3,687	22,824.7	53,465	20,665.4	60,088
Orange	848.9	2,751	948.9	2,960.2	21,403.1	47,727	18,711.9	53,280
Grapefruit	171.4	668	216.6	726.4	1,421.6	5,738	1,953.5	6,807
Not-From-Concentrate								
Sub-Total	6.3	36	6.5	36	52.0	291	51.8	296
Orange	5.1	28	6.1	33	41.7	225	42.6	238
Grapefruit	1.2	8	0.4	2	10.3	66	9.2	58
Total Citrus Juices	1,026.6	3,455	1,171.9	3,722	22,876.7	53,755	20,717.2	60,384
Pulp (pounds '000)								
Total <sup>(1)</sup>	0.4	0	178.1	136	3,086.3	2,348	3,125.7	2,375
Orange	0.4	0	178.1	136.1	2,980.3	2,267	2,984.5	2,270
Grapefruit	0.0	0	0	0	106.0	81	141.2	105

Source: CPBL

<sup>(1)</sup> Values may not be equal to total due to rounding.

Table A.14: Banana Exports

	Oct 2015	Oct 2016	Jan - Oct 2015	Jan - Oct 2016
Volume (metric tons)	8,131	4,278	86,649	61,038
Value (\$'000)	6,930	3,639	87,979	61,319

Source: BGA



Table A.15: Marine Exports

	Jan - Oct 2015		Jan - Oct 2016	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	619	16,345	685	14,952
Shrimp	8,916	56,155	766	6,650
Conch	491	5,629	669	7,991
Other Fish	713	810	281	394
Total	10,738	78,939	2,402	29,987

Source: SIB

Table A.16: Other Domestic Exports

	Jan - Oct 2015	Jan - Oct 2016
Other Miscellaneous Exports (\$'000)	74,410	60,070
<i>Of which:</i>		
<b>Papaya</b>		
Volume ('000 pounds)	28,485	7,211
Value (\$'000)	11,694	3,809

Source: SIB

Table A.17: Petroleum Production and Exports

	Oct 2015	Oct 2016	Jan -Oct 2015	Jan - Oct 2016
Crude Oil Production				
Never Delay (Barrels)	46	0	468	0
Spanish Lookout (Barrels)	41,060	36,270	445,582	380,638
Crude Oil Export				
Volume (Barrels)	56,757	68,014	347,649	335,183
Value (\$'000)	4,511	5,575	32,060	22,317

Source: Petroleum and Geology Department

Table A.18: 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 <sup>P</sup>	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

<sup>P</sup> - Provisional

Table A.19: Central Government Domestic Debt 2016<sup>(1)</sup>

	\$'000					
	Disbursed Outstanding Debt 31/12/15 <sup>R</sup>	TRANSACTIONS THROUGH OCTOBER 2016			Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 31/10/16 <sup>P</sup>
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest		
Overdraft/Loans	63,759	0	0	4,970	6,885	70,644
Central Bank	63,759	0	0	4,970	6,885	70,644
Domestic Banks	0	0	0	0	0	0
Treasury Bills	200,000	15,000	0	57	0	215,000
Central Bank	24,996	15,000	0	3	(22,590)	17,406
Domestic Banks	149,982	0	0	49	26,109	176,091
Other	25,022	0	0	5	(3,519)	21,503
Treasury Notes	225,000	225,000	0	9,238	0	450,000
Central Bank	157,026	225,000	0	5,041	(129,049)	252,977
Domestic Banks	0	0	0	990	77,923	77,923
Other	67,974	0	0	3,207	51,126	119,100
Atlantic Bank Limited	241	0	241	8	0	0
Heritage Bank Limited	2,374	0	530	180	0	1,844
Belize Social Security Board <sup>(2)</sup>	395	0	30	23	0	365
Fort Street Tourism Village	355	438	391	0	0	401
Debt for Nature Swap	2,320	0	173	65	0	2,147
<b>Total</b>	<b>494,445</b>	<b>240,438</b>	<b>1,365</b>	<b>14,542</b>	<b>6,885</b>	<b>740,402</b>

<sup>R</sup> - Revised<sup>P</sup> - Provisional

<sup>(1)</sup> 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.

<sup>(2)</sup> Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.20: Public Sector External Debt 2016

\$'000

	Disbursed Outstanding Debt 31/12/15 <sup>R</sup>	TRANSACTIONS THROUGH OCTOBER 2016				Disbursed Outstanding Debt 31/10/16 <sup>P</sup>
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
<b>CENTRAL GOVERNMENT</b>	2,272,753	98,446	68,004	76,748	83	2,303,279
Government of Venezuela	373,269	30,051	8,131	2,176	0	395,190
Kuwait Fund for Arab Economic Development	19,300	0	956	3,570	41	18,385
Republic of China	249,150	20,000	21,829	4,494	0	247,321
Caribbean Development Bank	227,840	25,914	17,250	6,745	-0	236,503
Caricom Development Fund	2,398	0	589	90	0	1,810
European Economic Community	8,893	0	398	33	58	8,553
Inter-American Development Bank	238,682	6,054	13,099	4,014	0	231,637
International Fund for Agriculture Development	2,685	277	444	44	-17	2,500
International Bank for Reconstruction and Development	25,290	7,959	1,721	391	0	31,528
Opec Fund for International Development	47,925	8,192	3,230	1,737	0	52,887
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
<b>NON-FINANCIAL PUBLIC SECTOR</b>	16,499	2,224	3,033	578	4	15,694
Kuwait Fund for Arab Economic Development	658	0	662	17	4	0
Caribbean Development Bank <sup>(1) (2)</sup>	15,841	2,224	2,371	561	0	15,694
<b>FINANCIAL PUBLIC SECTOR</b>	64,209	4,500	817	474	-424	67,467
Caribbean Development Bank	14,466	4,500	800	474	0	18,166
European Economic Community	149	0	17	1	1	134
International Monetary Fund <sup>(3)</sup>	49,593	0	0	0	-425	49,168
<b>GRAND TOTAL</b>	2,353,461	105,170	71,855	77,801	-337	2,386,440

<sup>R</sup> - Revised<sup>P</sup> - Provisional

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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