



CENTRAL BANK

of BELIZE



MONTHLY ECONOMIC REPORT

AUGUST 2013

List of Acronyms and Abbreviations

Acronyms:

BAHA	Belize Agriculture Health Authority
BEL	Belize Electricity Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
CABEI	Central American Bank for Economic Intelligence
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CGA	Citrus Growers Association
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
ENDA	Emergency Natural Disaster Assistance
EU	European Union
GDP	Gross Domestic Product
GOB	Government of Belize
GST	General Sales Tax
KHMH	Karl Heusner Memorial Hospital
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MOF	Ministry of Finance
OFID	OPEC Fund for International Development
OPEC	Organisation of the Petroleum Exporting Countries
PAYE	Personal Income Tax
ROC/Taiwan	Republic of China/Taiwan
SDR	Special Drawing Right
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 solid
pps	Per pound solid
TC/TS	Tons Cane to Tons Sugar

Notes:

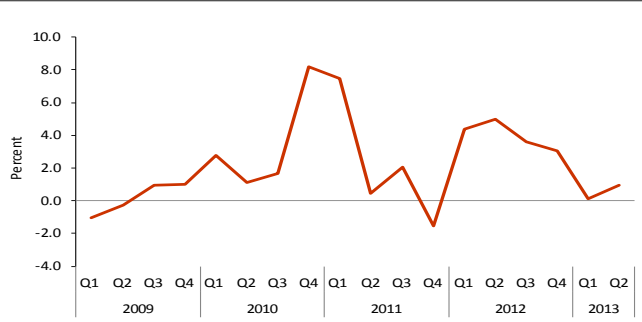
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2013 figures in this report are provisional and the figures for 2012 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2013 are based on Central Bank's forecast of annual GDP 2013.

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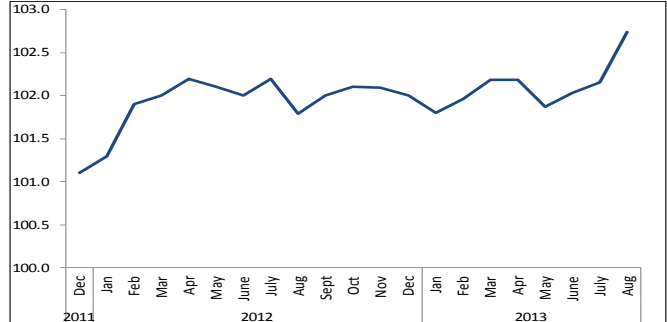
Summary of Economic Indicators

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



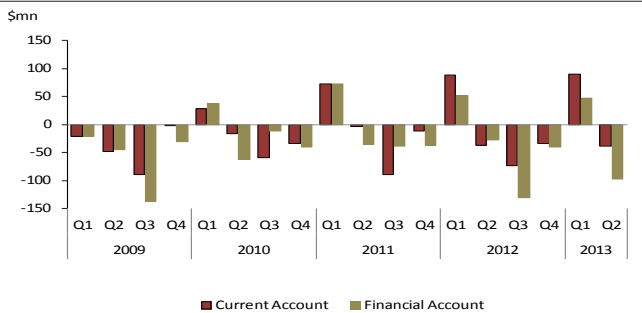
Source: SIB

Chart II: Consumer Price Index (All Items)



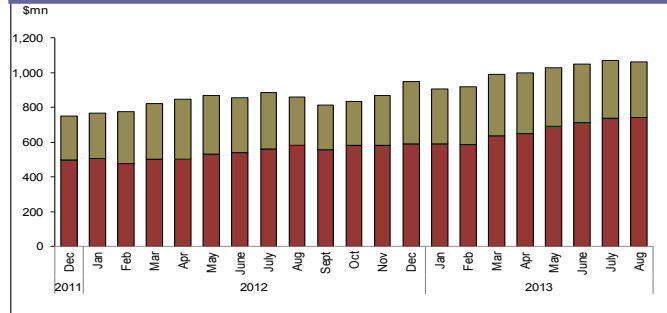
Sources: SIB

Chart III: Balance of Payments



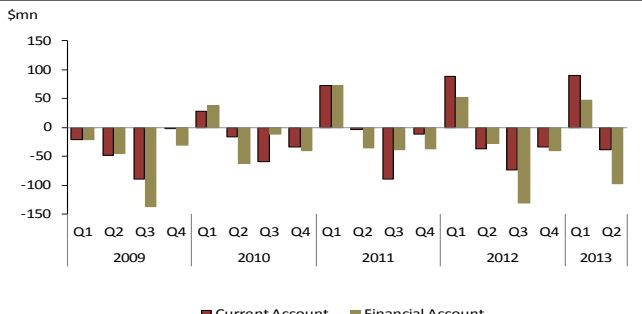
■ Current Account ■ Financial Account

Chart IV: Net Foreign Assets



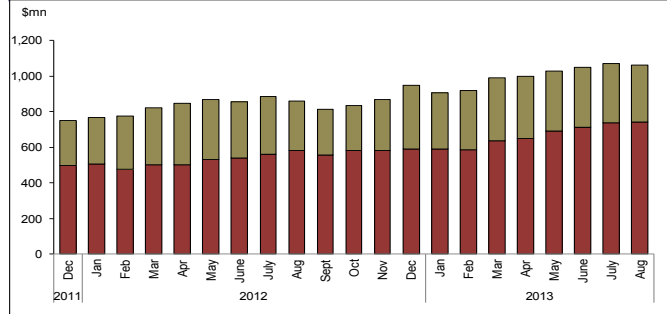
■ Central Bank ■ Commercial Banks

Chart V: Commercial Banks - Deposits and Loans and Advances



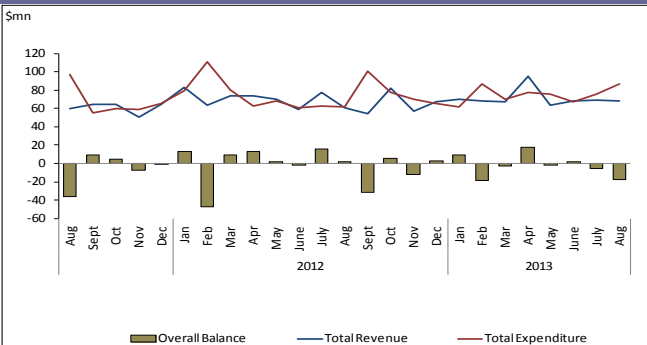
■ Current Account ■ Financial Account

Chart VI: Excess Cash Balances



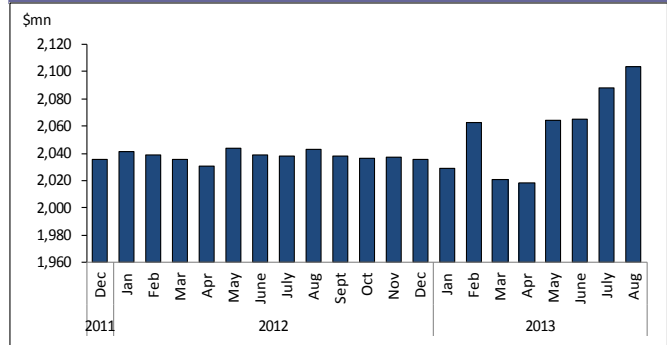
■ Central Bank ■ Commercial Banks

Chart VII: Central Government Operations



■ Overall Balance ■ Total Revenue ■ Total Expenditure

Chart VIII: Public Sector External Debt (Disbursed Outstanding Balance)



Money and Credit

During the first eight months of the year, a sizeable contraction of \$107.3mn in net domestic credit largely offset a \$114.6mn expansion in the net foreign assets of the banking system and private sector credit growth of \$9.8mn. As a result, the broad measure of the money supply (M2) grew by 1.2% compared to the 5.4% increase recorded during the similar period of 2012.

Loan disbursements of \$98.5mn from the Venezuelan Petrocaribe Agreement (VPCA), \$20.0mn Republic of China/Taiwan (ROC/Taiwan) loan for budget support in August and the capitalisation of the February interest payment on the superbond that was agreed to during the debt restructuring negotiations allowed the Central Bank's net foreign assets to improve by \$152.2mn. The Central Bank's foreign exchange purchases totalled \$308.7mn compared to sales of \$155.4mn. Inflows consisted mainly of loan disbursements (52.6%), proceeds from sugar exports (17.7%) and petroleum royalties and taxes (13.7%), while 79.0% of outflows (inclusive of the \$22.0mn interest payment in August on the 2038 bond) which went to Central Government to meet external debt obligations. On the other hand, the net foreign assets of the commercial banks contracted by \$37.6mn as higher payments for imports and the transfer of \$62.0mn in VPCA funds from the domestic banking system to an international bank exceeded heightened tourism earnings.

The contraction in net domestic credit was largely attributable to a \$121.9mn reduction in net credit to Central Government as the VPCA inflows boosted its deposits at the Central Bank. This movement overshadowed a \$5.1mn increase in the overdraft balance held with the Central Bank, which stood at \$61.5mn at the end of August, just below the

Chart 1.1: Net Foreign Assets and Net Domestic Credit

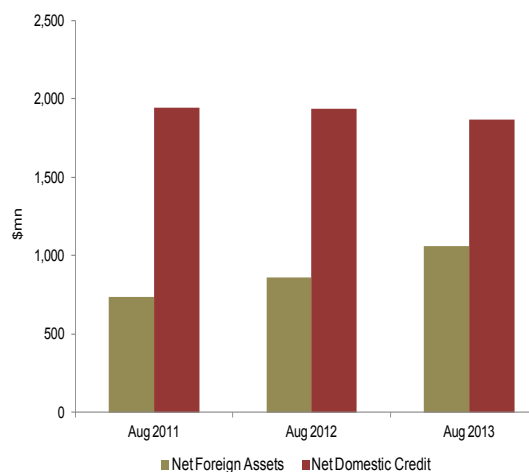


Chart 1.2: Commercial Banks' Net Foreign Assets

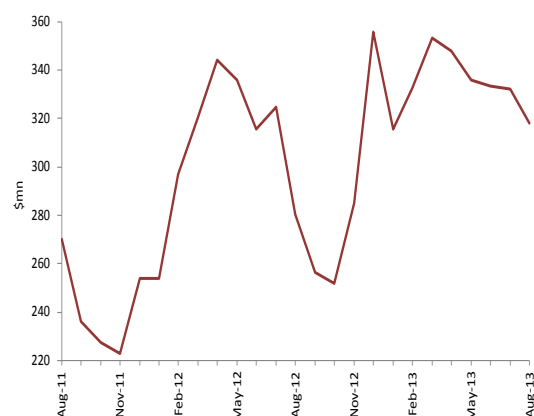
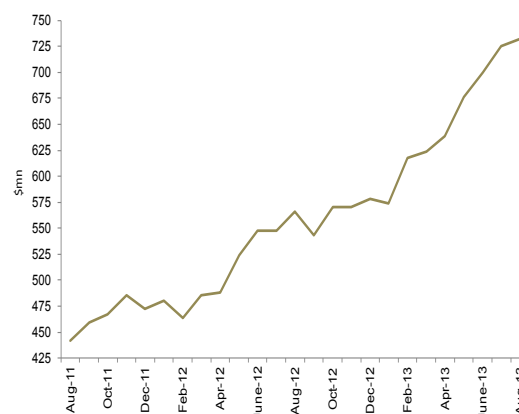


Chart 1.3: Gross International Reserves



legislated ceiling of \$69.0mn for advances to Central Government during the Fiscal Year 2013/2014. In contrast, credit to the private sector increased by \$9.8mn, just a third of the \$29.9mn growth that was registered during the comparable period of 2012. Meanwhile, credit growth to other public sector entities reflected \$5.3mn that went to public utilities and which was partly offset by \$0.5mn in net repayments by local government entities.

Private sector credit grew for five of the eight months during the review period. However, when it did decline it was mostly a result of significant write-offs that occurred in January and July. The most notable increases in commercial banks' loans were for construction (\$20.7mn) and real estate (\$17.4mn) activities, while lending decreased for most other activities, with the largest declines occurring in distribution (\$13.7mn), marine products (\$10.5mn), transportation (\$9.3mn) and manufacturing (\$7.6mn). Loan write-offs amounted to \$38.2mn, of which \$23.9mn occurred in July and August mostly in the marine sector. Loan were also written off for tourism, real estate ventures, distribution and transportation related activities.

Lending by the five largest credit unions grew by \$34.1mn, which was about twice the growth realized during the same period of 2012 and more than three times the increase in commercial banks' lending to the private sector this year. Disbursements were mainly for educational purposes, commercial real estate, agricultural processing, land acquisition, sugar processing, residential construction and distribution. Net repayments were made on miscellaneous consumer loans, household items and grain processing.

Slow credit growth facilitated the build-up of liquidity in the banking system. Holdings of

Chart 1.4: Changes in Commercial Banks' Loans and Advances August 2013 Position over Dec 2012

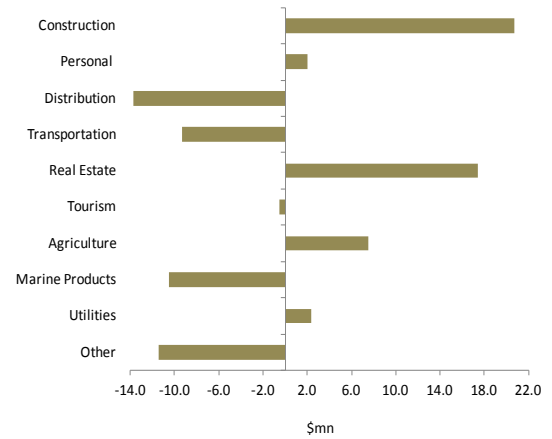


Chart 1.5: Excess Statutory Liquidity

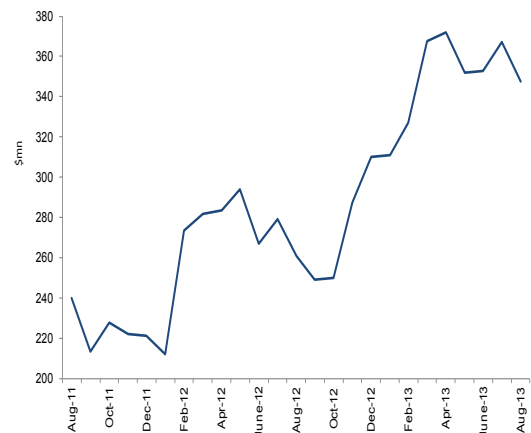
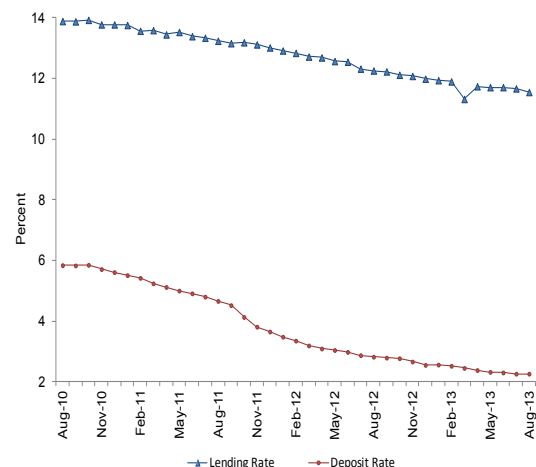


Chart 1.6: Commercial Banks' Weighted Average Lending and Deposit Interest Rates

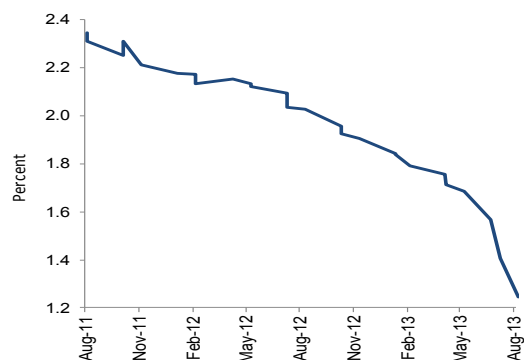


approved liquid assets rose by \$61.9mn against a \$24.5mn increase in the required level while cash reserves were up by \$48.6mn compared to a \$9.0mn rise in requirements. Consequently, statutory liquid assets and primary cash balances exceeded requirements by 65.5% and 98.1%, respectively.

Against this backdrop, commercial banks' interest rates continued to move downward. Over the first eight months of the year, the weighted average lending rate fell by 44 basis points (compared to a 76 basis point reduction in 2012) to 11.55%. Rate cuts occurred in all categories of lending, but more so for residential construction and personal loans, which fell by 46 and 40 basis points, respectively. At the same time, a 42 basis point decline in time deposit rates underpinned a 29 basis point reduction in the weighted average deposit rate (compared to a 83 basis point contraction in 2012), which fell to 2.26%. Lower rates were also recorded for all other categories of deposit accounts except savings/checking accounts which rose by nine basis points. The net result was a reduction in the weighted average interest rate spread by 15 basis points to 9.29%.

High levels of excess liquidity continued to be a key driver in the competitive bidding among commercial banks for Treasury bills. At the end of August, banks' Treasury bill holdings amounted to \$166.4mn or 95.1% of the total outstanding. During the review period, the weighted average yield on Treasury bills declined further, falling by 66 basis points from 1.90302% at the last auction in 2012 to 1.24686% at the August auction.

Chart 1.7: Treasury Bill Yield



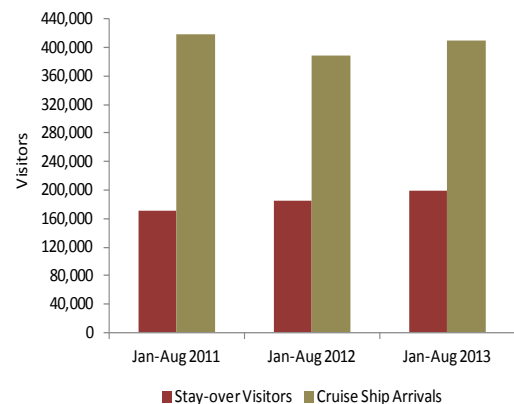
Real Sector Developments

During the first eight months of 2013 strong growth in papaya and marine output of 42.2% and 35.5%, respectively, coincided with the continued fall in petroleum, and depressed output from the major domestic crops of banana, citrus and sugarcane. Production of banana and deliveries of citrus and sugarcane were negatively impacted by unfavorable weather which in turn led reduced output of citrus juices and sugar, while banana returned to customary level of output.

The Consumer Price Index (CPI) increased by 0.6% in August relative to the previous month. The month-on-month increase reflected higher prices for “Restaurant and Hotels” (3.3%), “Transport” (3.2%), “Health” (1.2%) and “Miscellaneous Goods and Services” (1.0), which were partially offset by declines in “Recreation and Culture” (1.2%) and “Furnishing, Household Equipment, and Routine Household Maintenance” (0.1%). Increases in prices were mostly attributable to beef and veal, electricity, fuels and lubricants for personal transport equipment, transport services, passenger transport by air and accommodations services. For January through August, the general price level was 0.1% higher with the largest increases occurring in “Recreation and Culture” and the fuel dependent categories. The impact of these increases was softened by price declines in “Miscellaneous Goods and Services”, “Clothing and Footwear” and “Food and Non- Alcoholic Beverage”.

Aggressive marketing efforts and heightened publicity, aided in part by improvements in the economies of Belize’s main source markets, transmuted into buoyant growth for the tourism sector. Stay-over visitors rose by 7.9% to 199,327 visitors when compared to the same period of 2012, with higher arrivals recorded at all entry points.

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

Table 2.1: Value of Domestic Exports

	\$mn	
	Jan-Aug 2012	Jan-Aug 2013
Sugar	107.5	107.1
Molasses	3.0	5.5
Bananas	64.3	69.1
Citrus	90.5	69.6
Petroleum	128.4	100.6
Papaya	10.7	15.6
Marine Exports	36.9	51.3
Other Domestic Exports	61.2	56.8
Total	502.6	475.6

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

Table 2.2: Gross Imports by Standard International Trade Classification⁽¹⁾

	\$mn	
	Jan-Aug 2012	Jan-Aug 2013
Food, Beverages and Tobacco	151.7	162.3
Fuels, Lubricants and Crude Materials	265.8	279.6
of which Electricity	47.6	72.0
Oils, Fats and Chemicals	110.9	120.3
Manufactured Goods and Other Manufactures	207.2	226.3
Machinery, Transport and Equipment	192.8	224.5
Other Goods	4.9	4.4
Export Processing Zones	45.5	54.0
Commercial Free Zone	228.8	221.9
Total	1207.6	1293.4

Source: SIB

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

Cruise ship disembarkations also increased by 5.3% to 408,869 with the deployment of larger ships.

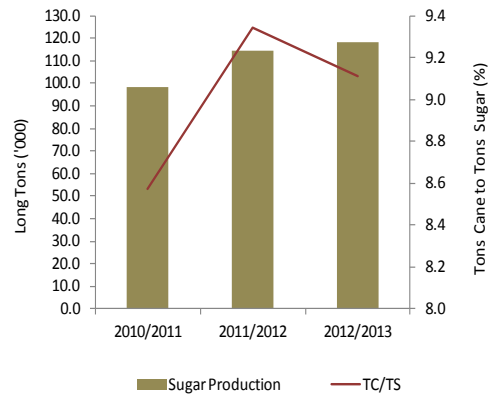
Lower revenues from citrus juices, sugar and petroleum outweighed increased earnings from other domestic exports, and domestic export revenue consequently fell by 5.4% to \$475.6mn. Gross imports (including electricity) rose by 7.1% to \$1,293.4mn over the review period. The rise in imports reflected a surge in purchases of electricity as well as increases in "Machinery and Transport Equipment", "Manufactured Goods and "Export Processing Zones" which rose by \$31.6mn, \$13.8mn and \$8.5mn, respectively. Conversely, purchases of goods for the Commercial Free Zone (CFZ) fell by \$6.8mn.

Sugarcane and Sugar

With the harvest ending on 25 May 2013, sugarcane deliveries for the crop year edged up by 0.7% to 1,078,019 long tons. For the second consecutive harvest, sugar production exceeded 100,000 long tons as improvements in cane purity along with factory efficiency boosted sugar production by 3.3% and improved the cane/sugar ratio by 2.5%. Molasses output also expanded by 11.5% to 34,508 long tons.

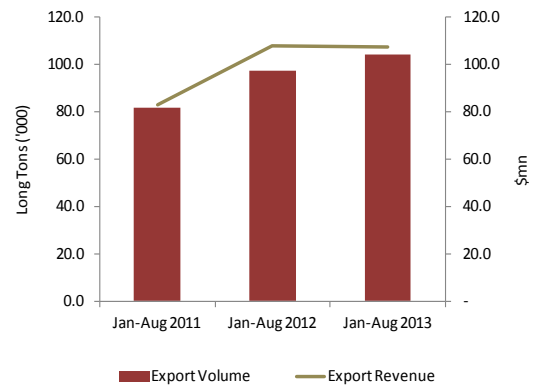
Annual sugar exports increased by 7.3% to 104,171 long tons however revenues fell by 0.3% to \$107.1mn due to a 7.1% decline in average export prices. Lower prices in the United States (US) market compared to the previous year caused the processor to divert all sales to the European Union (EU), except 179 long tons that were sold in niche markets. Also contributing to the price decline was a lower exchange rate negotiated on the futures market for the euro versus the US dollar. Exports of molasses increased by 45.4% to 25,770 long tons valued at \$5.5mn.

Chart 2.2: Sugar Production



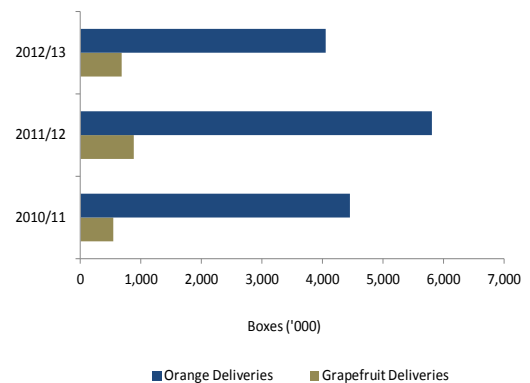
Source: BSI

Chart 2.3: Sugar Exports



Source: BSI

Chart 2.4: Citrus Deliveries



Sources: CGA and CPBL

Citrus

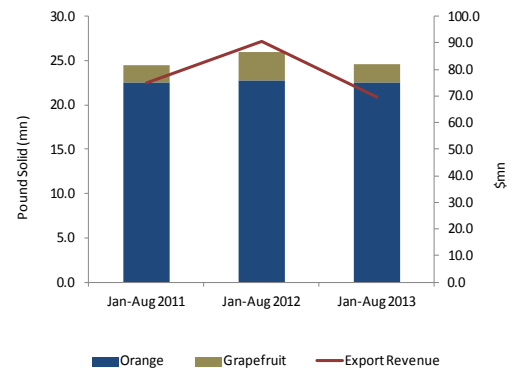
The effects of citrus greening and unfavorable weather that caused premature fruit drop persisted over the second quarter, causing a 29.3% decline in citrus deliveries for the 2012/2013 crop year, which ended on 13 June. Orange deliveries decreased by 30.2% to 4.1mn boxes, while the grapefruit harvest ended in April with deliveries totaling 0.7mn boxes, down by 23.0% from the previous crop year. Juice production decreased by 29.0% to 28.3mn pound solids (ps), in consonance with the decline in deliveries as the average juice out-turn per box remained relatively stable. The out-turn of orange juices decreased sharply by 29.7% to 25.5mn ps, which was 90.2% of the total juice output. Grapefruit juice out-turn also contracted by 21.8% to 2.8mn ps, which represented 9.8% of the total. Production of pulp and citrus oils declined to 2.3mn and 1.6mn pounds, respectively.

Over the year to date, the export volume of citrus juices declined by 5.4% to 24.6mn ps, reflecting a 34.4% and 1.5% decline in grapefruit and orange concentrate to 2.1mn ps and 22.4mn ps, respectively. The 23.1% reduction in revenues to \$69.6mn was steeper than anticipated as a 7.8% rally in grapefruit concentrate prices was insufficient to offset lower prices for orange concentrate and the fall in export volume. International prices of orange concentrates weakened in response to reports of higher juice stocks in Florida and Brazil, while a smaller grapefruit harvest in the US caused juice prices to strengthen.

Banana

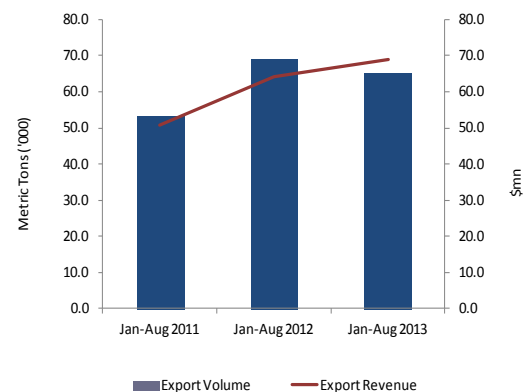
Following a bumper crop in 2012, banana output returned to its customary level with production falling by 5.4% to 65,353 metric tons. However, the average export price rose by 13.5%, and this boosted revenues by 7.4% to \$69.1mn. The Banana Growers

Chart 2.5: Citrus Juice Export Volume and Revenue



Source: CPBL

Chart 2.6: Banana Exports



Source: BGA

Association and Fyffes renegotiated the extension of their exclusive marketing contract in late 2012 for another five years that commenced on 1 January 2013.

Petroleum

Petroleum output continued on a downward trajectory and fell by 23.0% to 549,527 barrels, when compared to the same period of 2012. Production from the Spanish Lookout and Never Delay fields decreased by 19.4% and 89.5%, respectively. The year-to-date export volume consequently decreased by 24.0% to 472,269 barrels, and export revenue fell by 21.7% to \$100.6mn. Crude oil prices, rallied to six-month highs amid expectations of western military strikes on Syria. Prices averaged US\$106.48 per barrel in August and stood at US\$16.48 over the threshold price at which the petroleum surcharge becomes applicable.

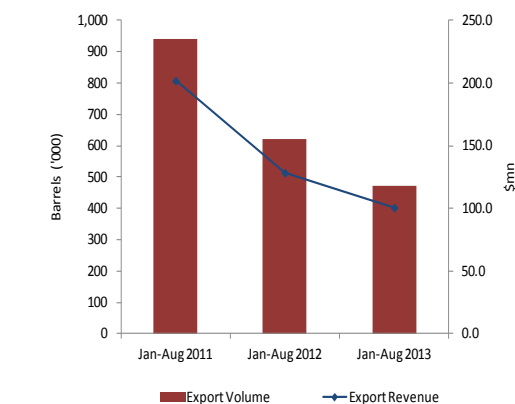
Marine Exports

Marine export volume grew by 35.5% to 9.9mn pounds, as increases in farmed shrimp and whole fish sales outweighed declines in those of lobster and conch. Price increases for all commodities, except fish, boosted revenues by 38.8% to \$51.3mn. Shrimp exports benefitted significantly from elevated prices and volume increases, while fish revenue increased from \$0.2mn to \$0.5mn, driven solely by the 56.0% increase in export volume. In contrast, lobster and conch export earnings fell by 17.8% to \$9.6mn and 14.1% to \$4.5mn, respectively.

Other Domestic Exports

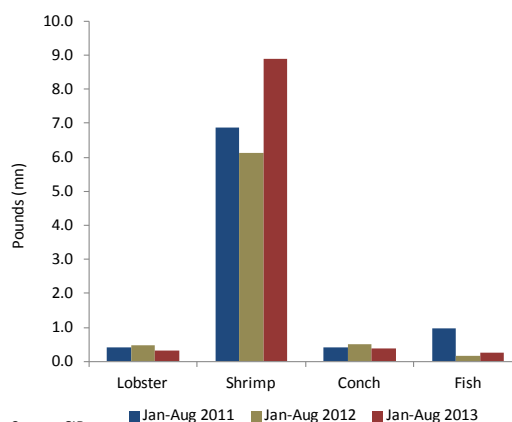
The strong growth in sales of papaya (45.7%) and pepper sauce (15.8%) eclipsed falling revenues from fresh orange and orange oil and were the primary contributors to the 0.7% expansion to \$72.4mn in revenues from other miscellaneous exports.

Chart 2.7: Petroleum Exports



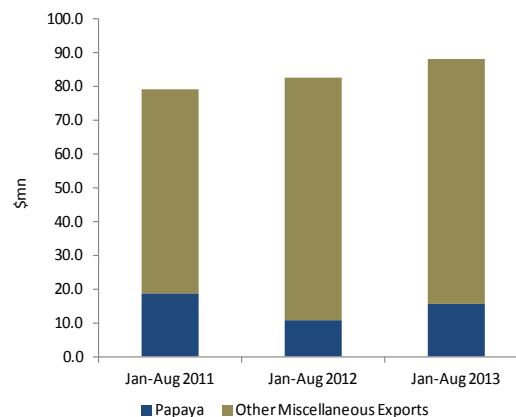
Source: Geology and Petroleum Department

Chart 2.8: Marine Export Volume



Source: SIB

Chart 2.9: Revenue of Papaya and Other Miscellaneous Exports



Source: SIB

Papaya benefitted from volume and price increases, while revenue from pepper sauces recorded a double digit increase due solely to higher volume. In contrast, revenues from fresh orange and orange oil contracted by 98.5% and 70.4%, respectively, due to reductions in export volume and price.

Central Government Operations

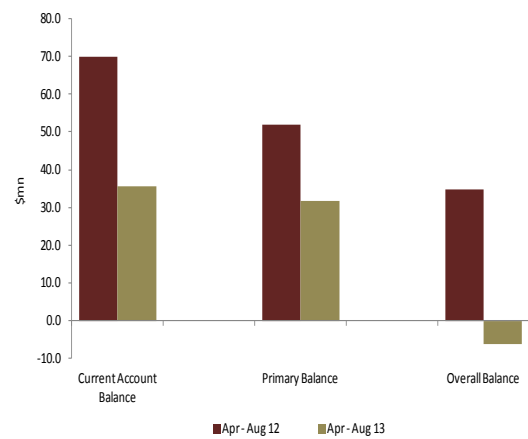
For January through August, Central Government operations yielded an overall deficit of \$18.6mn and a primary surplus of \$27.6mn. Revenue and grants contracted by 2.1% mostly due to declines in grants, non-tax revenues, import duties and inflows from the petroleum industry. Meanwhile, expenditure rose by 2.6% mainly due to an increase in subsidies and current transfers which reflected the reclassification of teachers' salaries to this category.

During the first five months of fiscal year 2013/2014, Central Government's primary surplus weakened to \$31.7mn from \$52.0mn during the comparable of fiscal year 2012/2013. At the same time, the overall balance swung from a \$34.7mn surplus in fiscal year 2012/2013 to a deficit of \$6.0mn. The deficit was funded mainly by external sources, as domestic financing was minimal due to the build-up in deposits with the Central Bank.

Total revenue and grants grew by 7.1% reflecting increases in current and capital revenues as well as grants. Tax receipts were up by 5.4% (\$16.3mn) and accounted for 84.1% of total collections. This mainly reflected increased income from the General Sales Tax (GST), personal income tax (PAYE) and business tax while receipts from petroleum and import duties fell by \$10.2mn and \$9.0mn, respectively. The buoyancy of the GST and the associated fall in import duties largely reflected the July 2012 shift to a GST on fuel imports instead of a fixed of a fixed import duty. Also contributing to the increase in revenues was a \$10.0mn grant from Republic of China/Taiwan (ROC/Taiwan).

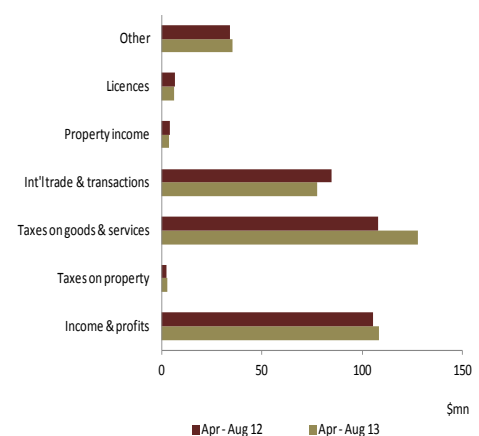
At \$383.0mn, expenditure was 20.7% higher due to increases in both current and capital expenditures. Current spending rose by 18.4% with increases

Chart 3.1: Central Government Operations



Sources: MOF and CBB estimates

Chart 3.2: Public Government Current Revenue



Sources: MOF and CBB estimates

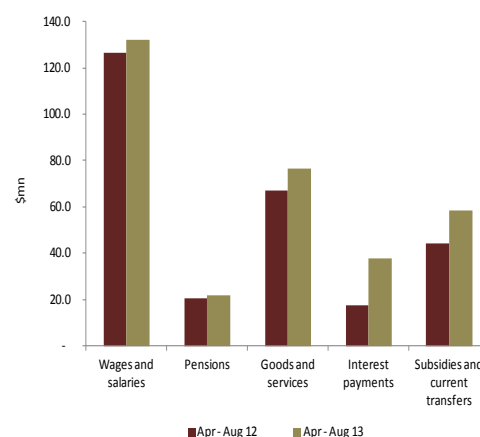
across all categories. The more notable increases were in subsidies and transfers (\$14.3mn) and interest payments (\$20.4mn). The former reflected the reclassification of teachers' salaries to this category. Meanwhile, the spike in interest payments reflected the first interest payment of the 2038 bond, since no payment was made in August of last year.

Expenditure on development projects rose by \$15.4mn to \$55.3mn as spending on Capital II (locally funded) projects doubled. Expenditure on road infrastructure accounted for 28.0% of the total and included developments on the south side of Belize City, the completion of the Southern Highway and maintenance and rehabilitation of roads. Another 27.5% was spent on social sectors for the development of sport infrastructure such as the Belize Sports Centre and projects relating to culture, education, health, environment and social protection. Waste management and land development projects received \$8.5mn, while the remainder was allocated for miscellaneous outlays on furniture, office equipment and contribution to external institutions.

Central Government Domestic Debt

In the first eight months of the year, Central Government domestic debt rose by 0.6% to \$392.1mn as a \$5.1mn rise in overdraft financing from the Central Bank overshadowed amortization payments of \$2.9mn. The latter reflected payments of \$1.0mn to Guardian Life Belize to retire that loan and smaller amounts to the Belize Social Security Board (BSSB), Fort Street Tourism Village, the Debt-For-Nature Swap and commercial banks. At the end of August, the share of the domestic debt held by the Central Bank stood at 40.5%, compared to 39.5% in December 2012. The share held by commercial banks fell from 45.9% to 43.6%, and non-bank holdings increased from 14.6% to 15.9%.

Chart 3.3: Central Government Current Expenditure



Source: MOF

Table 3.1: Central Government Capital Expenditure

	\$mn	
	Apr 12 - Aug 12	Apr 13 - Aug 13
Public Works	16.58	15.47
Environmental Protection	4.46	5.85
Natural Resources	5.61	8.76
Housing	0.09	0.69
Health	0.56	1.23
Education	0.82	1.14
Security and Defense	0.65	0.91
Agriculture and Fisheries	0.27	1.05
Other	10.87	20.17
Net lending	1.71	1.54
Total	41.62	56.81

Source: MOF

Interest payments summed to \$10.1mn, which included \$7.8mn that was paid to the Central Bank and consisted of \$3.4mn on short-term credit provided by way of the overdraft and \$4.4mn for longer-term Treasury notes. Commercial banks received \$2.0mn, and the remainder went to the BSSB and Guardian Life.

Public Sector External Debt

The public sector external debt increased by 3.7% (\$74.7mn) to \$2,103.3mn, as disbursements of \$246.9mn outweighed amortization payments of \$166.0mn. Except for a small amount to the Belize Water Services Limited (BWSL) for water and service expansion projects, all disbursements went to Central Government and included \$76.5mn in capitalized interest that was added to the restructured bond. Of the remainder, \$121.0mn and \$44.3mn came from bilateral and multilateral sources, respectively. Bilateral sources included \$98.5mn from Venezuela under the VPCA and \$22.5mn from the ROC)/Taiwan for budget support.

Excluding the \$107.9mn haircut on the restructured bond due 2038, actual principal repayments by Central Government amounted to \$44.4mn, of which \$21.9mn went to bilateral lenders and \$22.4mn to multilateral creditors. The Development Finance Corporation (DFC) and the non-financial public sector repaid \$3.9mn to the Caribbean Development Bank (CDB), and Central Bank repaid \$5.6mn to the International Monetary Fund (IMF) for the Emergency Natural Disaster Assistance (ENDA) facility. Commercial suppliers were also paid \$4.0mn.

With the resumption in August of interest payments on the restructured bond, year-to-date interest and other payments totalled \$37.5mn. Holders of the bond received 58.5% of the scheduled interest

Chart 3.4: Central Government Domestic Debt

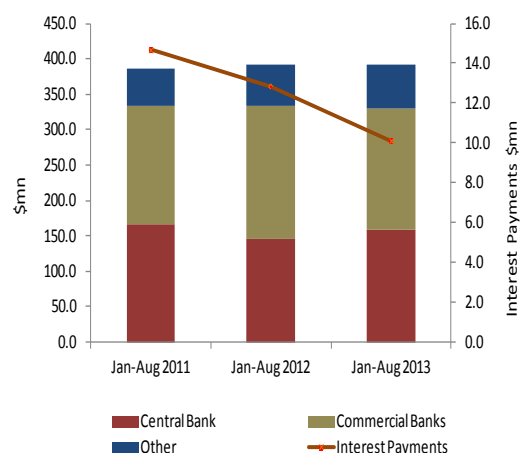
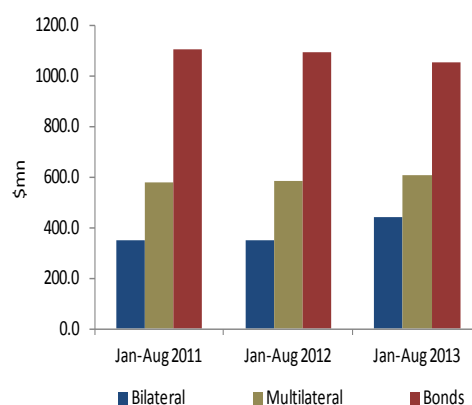
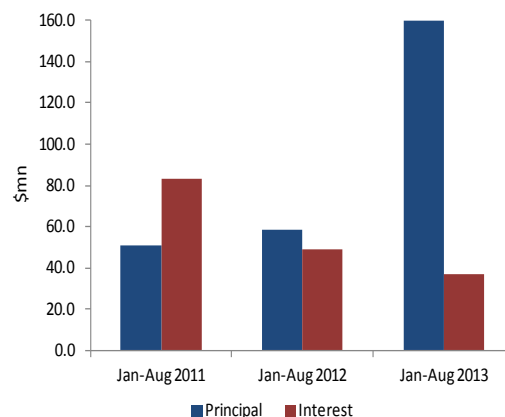


Chart 3.5: Public Sector External Debt



due. Bilateral lenders received \$6.6mn, with \$5.1mn going to ROC/Taiwan, while the \$8.3mn in payments to multilateral lenders went mostly to CDB and the Inter-American Development Bank (IDB).

Chart 3.6: External Debt Service



Statistical Appendix

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

\$mn

	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
Net Foreign Assets	1,062.8	-8.3	114.6	109.2
Central Bank	744.7	5.6	152.2	82.9
Commercial Bank	318.1	-13.9	-37.6	26.3
Net Domestic Credit	1,865.7	-1.4	-107.3	19.1
Central Government (Net)	48.7	-11.8	-121.9	-15.6
Other Public Sector	16.1	3.7	4.8	4.8
Private Sector	1,800.9	6.7	9.8	29.9
Central Bank Foreign Liabilities (Long-term)	57.8	-1.7	-6.2	-4.2
Other Items (Net)	398.3	1.6	-15.4	14.4
Money Supply M2	2,472.4	-9.6	28.9	118.1

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

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

\$mn

	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
Net Foreign Assets of the Banking System	1,062.8	-8.3	114.6	109.2
Net Foreign Assets of the Central Bank	744.7	5.6	152.2	82.9
Central Bank Foreign Assets	747.9	6.2	153.3	82.9
Central Bank Foreign Liabilities (Demand)	3.2	0.6	1.1	0.0
Net Foreign Assets of Commercial Banks	318.1	-13.9	-37.6	26.3
Commercial Banks' Foreign Assets	325.4	-12.7	-37.5	18.8
Commercial Banks' Foreign Liabilities (Short-Term)	7.3	1.2	0.1	-7.5

Table A.3: Net Domestic Credit

\$mn

	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
Total Credit to Central Government	330.9	-6.8	-2.6	7.4
From Central Bank	158.8	-3.5	4.6	-17.2
Loans and Advances	61.5	-3.3	5.1	9.4
Government Securities ⁽¹⁾	97.3	-0.2	-0.5	-26.6
From Commercial Banks	172.1	-3.3	-7.2	24.6
Loans and Advances	4.6	-0.1	-0.8	1.6
Government Securities	167.5	-3.2	-6.4	23.0
(of which) Treasury bills ⁽²⁾	166.4	-4.3	-7.1	22.3
Treasury notes	0.0	0.0	0.0	0.0
Other	1.1	1.1	0.7	0.7
Less Central Government Deposits	282.2	5.0	119.3	23.0
With Central Bank	236.7	2.2	113.2	20.8
With Commercial Banks	45.5	2.8	6.1	2.2
Net Credit to Central Government	48.7	-11.8	-121.9	-15.6
Credit to Other Public Sector	16.1	3.7	4.8	4.8
From Central Bank	0.0	0.0	0.0	0.0
From Commercial Banks	16.1	3.7	4.8	4.8
(of which) Local Government	0.8	0.0	-0.5	-0.5
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	14.5	3.7	5.3	5.3
Other Statutory Bodies	0.8	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0
Plus Credit to the Private Sector	1,800.9	6.7	9.8	29.9
Loans and Advances	1,799.4	6.7	9.3	29.9
Securities	1.5	0.0	0.5	0.0
Net Domestic Credit of the Banking System⁽³⁾	1,865.7	-1.4	-107.3	19.1

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

⁽²⁾ Treasury bill holdings reported by commercial 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 Commercial Banks' Loans and Advances

\$mn

	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
PRIMARY SECTOR	179.3	0.4	-2.8	-12.6
Agriculture	132.2	0.8	7.5	-13.3
Sugar	14.3	1.3	0.8	-1.6
Citrus	22.1	-0.6	5.5	-2.7
Bananas	65.9	0.5	-3.6	-7.9
Other	29.9	-0.4	4.8	-1.1
Marine Products	24.9	-0.2	-10.5	0.8
Forestry	1.6	-0.1	0.4	0.1
Mining and Exploration	20.6	-0.1	-0.2	-0.2
SECONDARY SECTOR	561.0	5.0	15.5	32.2
Manufacturing	24.9	-0.2	-7.6	-3.0
Building and Construction	498.7	1.7	20.7	30.2
Utilities	37.4	3.5	2.4	5.0
TERTIARY SECTOR	647.8	0.7	-1.4	10.8
Transport	40.6	-2.4	-9.3	-0.1
Tourism	95.7	0.2	-0.5	-1.7
Distribution	188.6	2.8	-13.7	-4.3
Other	322.9	0.1	22.1	16.9
Personal Loans	427.8	4.3	2.0	6.8
TOTAL	1815.9	10.4	13.3	37.2

¹ Includes government services, real estate, financial institutions, professional services and entertainment.

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

	\$mn			
	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
Holdings of Approved Liquid Assets	877.6	-19.3	61.9	-52.5
Notes and Coins	63.6	-1.5	-5.3	-7.6
Balances with Central Bank	391.9	8.0	53.3	-34.0
Money at Call and Foreign Balances (due 90 days)	242.3	-19.7	22.3	-5.0
Treasury bills maturing in not more than 90 days ⁽¹⁾	165.1	-5.4	-8.1	-0.1
Other Approved Assets	14.7	-0.7	-0.3	-5.8
of which: Treasury notes	0.0	0.0	0.0	0.0
Required Liquid Assets	530.2	0.7	24.5	-3.0
Excess/(Deficiency) Liquid Assets	347.4	-20.0	37.4	-49.5
Daily Average Holdings of Cash Reserves	388.1	5.2	48.6	-34.0
Required Cash Reserves	195.9	0.2	9.0	-1.1
Excess/(Deficiency) Cash Reserves	192.2	5.0	39.6	-32.9
Actual Securities Balances ⁽²⁾	166.8	-4.2	-7.1	0.0
Excess/(Deficiency) Securities	166.8	-4.2	-7.1	0.0

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

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

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

	Percent			
	Position as at Aug-13	Changes During		
		July-13 to Aug-13	Dec-12 to Aug-13	Dec-11 to Aug-12
Weighted Lending Rates				
Personal Loans	12.55	-0.03	-0.40	-0.86
Commercial Loans	11.79	-0.19	-0.36	-0.55
Residential Construction	10.04	-0.05	-0.46	-1.08
Other	9.57	-0.07	-0.76	-1.28
Weighted Average	11.55	-0.12	-0.44	-0.76
Weighted Deposit Rates				
Demand	0.37	-0.01	-0.06	0.01
Savings/Cheque	2.54	-0.01	0.09	-0.03
Savings	2.64	-0.02	-0.24	-0.08
Time	3.53	-0.01	-0.42	-1.21
Weighted Average	2.26	0.00	-0.29	-0.83
Weighted Average Spread	9.29	-0.12	-0.15	0.07

Table A.7: Commercial Banks' Weighted Average Interest Rates
on New Loans and Deposits

	Percent			
	Position as at Dec-10	Position as at Dec-11	Position as at Dec-12	Position as at Aug-13
Weighted Lending Rates				
Personal Loans	15.57	11.84	10.12	10.38
Commercial Loans	14.20	12.25	10.81	10.03
Residential Construction	13.15	10.06	10.68	8.59
Other	13.77	10.83	9.00	8.22
Weighted Average	14.36	11.79	10.33	9.87
Weighted Deposit Rates				
Demand	0.00	0.00	0.00	0.00
Savings/Cheque	4.87	1.42	1.71	1.30
Savings	4.65	2.51	0.92	1.03
Time	8.06	3.99	3.48	3.18
Weighted Average	8.02	3.83	3.10	2.94
Weighted Average Spread	6.34	7.96	7.23	6.93

Table A.8: Tourist Arrivals

	Jan-Aug 2012	Jan-Aug 2013
Air	154,560	164,065
Land	24,416	28,728
Sea	<u>5,776</u>	<u>6,534</u>
Stay-over Visitors	184,751	199,327
Cruise Ship Disembarkations	388,299	408,869

Sources: BTB and CBB

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

Major Commodity	Weights	Dec 2012	July 2013	Aug 2013	Monthly Change ⁽¹⁾	Average ⁽²⁾ Change
Food and Non-Alcoholic Beverages	195	105.0	106.4	106.5	0.1	-0.1
Alcoholic Beverages and Tobacco	17	97.9	100.3	100.5	0.2	0.5
Clothing and Footwear	83	99.7	95.5	95.6	0.1	-1.6
Housing, Water, Electricity, Gas, and Other Fuels	265	101.2	100.9	101.0	0.1	0.6
Furnishing, Household Equipment, and Routine Household Maintenance	69	97.9	99.8	99.7	-0.1	-0.1
Health	41	106.1	106.5	107.8	1.2	0.6
Transport	136	106.9	104.4	107.8	3.2	0.5
Communication	33	93.9	97.5	98.1	0.6	0.3
Recreation and Culture	69	102.2	104.3	103.1	-1.2	1.3
Education	32	97.8	100.6	100.5	-0.0	0.3
Restaurants and Hotels	7	99.8	102.0	105.3	3.3	0.3
Miscellaneous Goods and Services	52	100.7	99.1	100.1	1.0	-2.0
All Items	1000	102.1	102.2	102.7	0.6	0.1

Source: SIB

⁽¹⁾ Percent change in CPI of August over July 2013.

⁽²⁾ Percent change in average CPI of January to August 2013 over CPI of December 2012.

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

	August 2012	August 2013	Dec-Aug 2011/2012	Dec-Aug 2012/2013
Deliveries of Sugarcane (long tons)	0	0	1,070,278	1,078,019
Sugar Processed (long tons)	0	0	114,536	118,339
Molasses processed (long tons)	0	0	30,955	34,508
Performance				
Factory Time Efficiency (%)	0.00	0.00	95.27	94.06
Cane Purity (%)	0.00	0.00	85.77	86.04
Cane/Sugar	0.00	0.00	9.34	9.11

Source:BSI

Table A.11: Exports of Sugar and Molasses

	August 2012		August 2013		Jan-Aug 2012		Jan-Aug 2013	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	80	104	10,810	10,735	97,074	107,462	104,171	107,109
E.U.	60	81	10,810	10,735	79,893	81,702	103,992	106,855
USA	0	0	0	0	17,081	25,645	0	0
Caricom	0	0	0	0	0	0	0	0
Other	20	23	0	0	100	115	179	254
Molasses	0	0	0	0	17,722	3,047	25,770	5,541

Source: BSI

Table A.12: Citrus Deliveries and Production

	August 2012	August 2013	Oct-Aug 2011/2012	Oct-Aug 2012/2013
Deliveries (boxes)				
Orange	0	0	5,805,948	4,051,659
Grapefruit	0	0	880,489	678,147
Total	0	0	6,686,437	4,729,806
Concentrate Produced (ps)				
Orange	0	0	36,299,166	25,303,632
Grapefruit	0	0	3,265,412	2,749,901
Total	0	0	39,564,578	28,053,533
Not from concentrate (ps)				
Orange	0	0	0	216,731
Grapefruit	0	0	323,157	55,871
Total	0	0	323,157	272,602
Pulp (pounds)				
Orange	0	0	2,628,376	1,747,728
Grapefruit	0	0	318,848	527,456
Total	0	0	2,947,224	2,275,184
Oil Produced (pounds)				
Orange	0	0	2,059,510	1,500,000
Grapefruit	0	0	115,216	92,955
Total	0	0	2,174,726	1,592,955

Source: CPBL

Table A.13: Export Sales of Citrus Products

	August 2012		August 2013		Jan - Aug 2012		Jan - Aug 2013	
	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	6,755.4	23,577	10,099.4	23,738
Grapefruit	0.0	0	0.0	0	0	0	0.0	0
Caribbean								
Orange	653.3	2,059	449.8	1,476	6,861.2	21,985	4,623.5	14,623
Grapefruit	33.5	111	17.7	60	498.4	1,736	441.5	1,520
Europe								
Orange	1,398.4	5,301	1,002.7	2,963	5,916.0	22,560	6,643.2	19,900
Grapefruit	21.1	81	104.1	353	1,406.1	5,262	1,565.1	6,256
Other								
Orange	0.0	0	270.4	721	3,226.1	10,748	1,056.9	2,831
Grapefruit	0.0	0	0.0	0	1,320.9	4,526	109.7	378
Sub-Total⁽¹⁾	2,106.2	7,551	1,844.6	5,573	25,984.1	90,393	24,539.3	69,247
Orange	2,051.7	7,359.9	1,722.8	5,159.8	22,758.7	78,870	22,423.0	61,092
Grapefruit	54.5	191.3	121.8	412.8	3,225.4	11,523	2,116.3	8,154
Not-From-Concentrate								
Sub-Total	6.1	34	11.0	65	17.6	101	61.7	349.2
Orange	5.1	27	9.6	56	11.7	62	52.1	288
Grapefruit	1.1	7	1.4	9	5.9	39	9.6	61
Total Citrus Juices	2,112.4	7,585	1,855.6	5,638	26,001.7	90,494	24,601.0	69,596
Pulp (pounds '000)								
Total⁽¹⁾	100.1	78	204.8	163	1,563.7	1,241	2,078.5	1,631
Orange	37.7	28	142.9	114	1,218.2	966	1,782.2	1,396
Grapefruit	62.3	49	61.9	49	345.6	274	296.4	235

Source: CPBL

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

Table A.14: Banana Exports

	August 2012	August 2013	Jan-Aug 2012	Jan-Aug 2013
Volume (metric tons)	8,651	7,302	69,077	65,353
Value (\$'000)	7,055	6,291	64,308	69,057

Source: BGA

Table A.15: Marine Exports

	Jan-Aug 2012		Jan-Aug 2013	
	Volume (‘000 pounds)	Value (\$'000)	Volume (‘000 pounds)	Value (\$'000)
Lobster	481	11,630	333	9,555
Shrimp⁽¹⁾	6,133	19,637	8,892	36,658
Conch	501	5,268	383	4,525
Other Fish	172	392	268	534
Total	7,288	36,927	9,876	51,271

Sources: SIB and Individual Shrimp Farms

⁽¹⁾ Data up to June from shrimp farms plus SIB July data.

Table A.16: Other Domestic Exports

	Jan-Aug 2012	Jan-Aug 2013
Other Miscellaneous Exports (\$'000)	71,904	77,966
of which:		
Papaya		
Volume (‘000 pounds)	29,980	42,634
Value (\$'000)	10,729	15,632

Sources: SIB

Table A.17: Government Revenue and Expenditure

\$'000

	Approved Budget 2013/2014 ^P	Jan-12 to Aug-12	Jan-13 to Aug-13	Apr-12 to Aug-12	Apr-13 to Aug-13	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	872,469	595,705	583,463	351,957	377,000	43.2%
1). Current revenue	826,337	560,859	565,932	345,618	361,932	43.8%
Tax Revenue	727,011	474,915	503,537	300,663	316,914	43.6%
Income and Profits	233,782	167,899	172,299	105,453	108,239	46.3%
Taxes on Property	7,154	4,248	4,842	2,506	3,086	43.1%
Taxes on Goods and Services	282,609	168,736	205,267	107,882	127,981	45.3%
International Trade and Transactions	203,465	134,033	121,129	84,822	77,608	38.1%
Non-Tax Revenue	99,326	85,944	62,395	44,955	45,018	45.3%
Property Income	6,870	11,864	4,810	4,258	3,613	52.6%
Licences	15,818	10,981	8,464	6,538	6,139	38.8%
Other	76,638	63,099	49,122	34,159	35,265	46.0%
2). Capital Revenue	5,051	5,343	3,793	1,999	2,286	45.3%
3). Grants	41,082	29,504	13,737	4,339	12,782	31.1%
TOTAL EXPENDITURE (1+2)	934,106	586,939	602,105	317,246	383,019	41.0%
1). Current Expenditure	777,863	483,785	497,954	275,623	326,202	41.9%
Wages and Salaries	313,156	202,522	205,249	126,450	131,854	42.1%
Pensions	55,230	34,159	34,793	20,587	21,644	39.2%
Goods and Services	181,535	116,578	123,869	67,066	76,457	42.1%
Interest Payments on Public Debt	95,913	60,072	46,230	17,284	37,722	39.3%
Subsidies and Current Transfers	132,029	70,454	87,813	44,236	58,526	44.3%
2). Capital Expenditure	156,243	103,154	104,151	41,623	56,816	36.4%
Capital II (Local Sources)	67,243	40,520	64,749	19,894	42,878	63.8%
Capital III (Foreign Sources)	85,877	60,065	37,083	20,016	12,394	14.4%
Capital Transfer and Net Lending	3,123	2,569	2,318	1,712	1,544	49.5%
CURRENT BALANCE	48,474	77,074	67,978	69,995	35,729	73.7%
Primary Balance	34,276	68,838	27,588	51,995	31,703	92.5%
OVERALL BALANCE	(61,637)	8,766	(18,642)	34,711	(6,019)	9.8%
Primary less Grants	(6,806)	39,334	13,850	47,656	18,920	-278.0%
Overall Balance less Grants	(102,718)	(20,738)	(32,379)	30,372	(18,801)	18.3%
FINANCING	61,637	(8,766)	18,642	(34,711)	6,019	
Domestic Financing		(11,975)	(116,958)	(38,458)	(91,826)	
Central Bank		(37,972)	(108,600)	(63,236)	(90,496)	
Net Borrowing		(17,179)	4,578	(14,060)	4,804	
Change in Deposits		(20,793)	(113,177)	(49,176)	(95,300)	
Commercial Banks		21,688	(13,956)	24,082	(6,073)	
Net Borrowing		23,879	(7,825)	24,520	(3,500)	
Change in Deposits		(2,191)	(6,131)	(438)	(2,573)	
Other Domestic Financing		4,309	5,597	696	4,743	
Financing Abroad		7,750	126,130	12,964	91,959	
Disbursements		46,792	251,995	40,128	119,842	
Amortization		(39,042)	(152,209)	(27,164)	(27,883)	
Net Reduction		0	26,344	0	0	
Other		(4,541)	9,470	(9,217)	5,886	

Sources: CBB and MOF

^P - Provisional

Table A.18: Central Government Domestic Debt⁽¹⁾

\$'000

	Disbursed Outstanding Debt 31/12/12 ^R	TRANSACTIONS THROUGH AUGUST 2013				Disbursed Outstanding Debt 31/08/13 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	56,350	0	0	3,391	5,118	61,466
Central Bank	56,350			3,391	5,118	61,466
Commercial Banks	0			0	0	0
Treasury Bills	175,000	0	0	1,766	0	175,000
Central Bank	0	0	0	54	0	0
Commercial Banks	173,480	0	0	1,662	(7,060)	166,420
Other	1,520	0	0	50	7,060	8,580
Treasury Notes	136,500	0	0	4,443	0	136,500
Central Bank	87,797	0	0	4,383	(540)	87,257
Commercial Banks	0	0	0	0	0	0
Other	48,703	0	0	60	540	49,243
Defence Bonds	10,000	0	0	0	0	10,000
Central Bank	10,000		0	0	0	10,000
Commercial Banks	0		0	0	0	0
Other	0		0	0	0	0
Atlantic Bank Limited	1,163	0	184	65	0	980
Heritage Bank Limited	4,230	0	581	267	0	3,650
Belize Social Security Board ⁽²⁾	2,572	0	749	141	0	1,823
Fort Street Tourism Village	285	0	254	0	0	31
Debt for Nature Swap	2,810	0	120	0	0	2,690
Guardian Life Belize	1,000	0	1,000	45	0	0
Total	389,910	0	2,888	10,118	5,118	392,141

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

⁽²⁾ Government has outstanding loans with Belize Social Security Board consisting of (i) Hopeville Housing Project and (ii) loan purchased from Development Finance Corporation as of 30 January 2007.

^R - Revised

^P - Provisional

Table A.19: Public Sector External Debt 2013

						\$'000
	Disbursed Outstanding Debt 31/12/12 ^R	TRANSACTIONS THROUGH AUGUST 2013			Disbursed	Outstanding Debt 31/08/13 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	1,917,354	246,890	152,285	36,521	165	2,006,633
Banco Nacional de Comercio Exterior	2,647	0	1,059	145	0	1,588
Government of the United States	384	0	189	10	0	194
Government of Venezuela	36,050	98,484	1,448	316	0	133,087
Kuwait Fund for Arab Economic Development	18,744	0	1,001	963	-281	17,463
Republic of China	280,331	22,500	18,251	5,147	0	284,580
Caribbean Development Bank	199,240	13,591	10,540	4,885	0	202,291
Caricom Development Fund	2,140	0	0	60	0	2,140
European Economic Community	13,154	0	390	45	20	12,784
Inter-American Development Bank	234,198	7,692	8,435	2,159	0	233,455
International Fund for Agriculture Development	1,642	1,161	274	8	426	2,955
International Bank for Reconstruction and Development	21,459	5,074	1,721	172	-0	24,811
Opec Fund for International Development	21,566	13,100	1,000	511	-0	33,666
Central American Bank for Economic Integration	958	3,698	42	141	0	4,615
Bear Stearns & company (Untendered Portion) ⁽⁴⁾	5,492	0	0	0	0	0
Bank of New York ⁽⁴⁾	1,079,348	81,591	107,935	21,959	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	37,361	48	7,382	751	-51	29,975
Kuwait Fund for Arab Economic Development	2,843	0	347	55	-46	2,450
The Bank of Nova Scotia ⁽¹⁾	6,380	0	3,190	65	-0	3,190
European Investment Bank ⁽¹⁾	1,475	0	724	29	-5	746
Caribbean Development Bank ^{(1) (2)}	26,662	48	3,121	602	0	23,589
FINANCIAL PUBLIC SECTOR	73,890	0	6,291	268	-891	66,707
Caribbean Development Bank	9,310	0	822	171	-0	8,488
European Economic Community	347	0	19	2	0	328
Paine Webber Real Estate Securities Inc.	200	0	100	1	0	100
International Monetary Fund ⁽³⁾	64,033	0	5,351	95	-892	57,791
GRAND TOTAL	2,028,605	246,938	165,958	37,541	-777	2,103,316

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

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

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

⁽⁴⁾ With the restructuring of the 2029 Bond on the 20 March 2013, disbursement of \$76.5mn represents the capitalized interest up to 19 March 2013, amortization of \$107.9mn is the 10% haircut and \$5.5mn is debt reduction.

^R - Revised

^P - Provisional