



CENTRAL BANK OF BELIZE



# MONTHLY ECONOMIC REPORT

DECEMBER 2010

## Monetary & Financial Sector Developments

In the face of sluggish private sector credit demand, money supply (M2) declined by 0.1% over the year as a 2.6% decline in net domestic credit was only partly offset by an 11.2% rise in net foreign assets.

The expansion in the latter reflected increases of \$52.3mn and \$11.0mn, respectively, in the net holdings of commercial banks and the Central Bank. A reduction in net foreign outflows due to a significantly lower trade deficit facilitated a \$22.5mn improvement in commercial banks' foreign assets and simultaneous reduction of \$29.8mn in their foreign liabilities. Notwithstanding large external debt payments in February and August due to the super-bond, the Central Bank's foreign assets grew by \$11.0mn, with inflows of \$241.4mn and outflows of \$228.3mn. Of total outflows, sales to Central Government amounted to \$175.0mn, of which external debt servicing accounted for \$131.7mn. At the end of December, gross official international reserves stood at \$436.0mn, a year-on-year increase of \$8.6mn.

The downturn in net domestic credit reflected declines of \$42.0mn (2.3%) in private sector loans and \$8.6mn (4.4%) in net credit to Central Government. The contraction in private sector credit was partly due to sizeable loan repayments by a single company group earlier in the year. The latter contributed to respective declines of \$29.1mn and \$26.1mn in credit to the secondary and tertiary sectors. In contrast, personal loans and credit to the primary sector grew by \$10.5mn and \$1.3mn, respectively.

For the year, loans and advances by the five largest credit unions grew by 6.7% (\$21.8mn), of which \$12.4mn (56.9%) was issued as personal loans, \$4.7mn for real estate and \$3.0mn for manufacturing.

Even with the \$140.0mn issuance of new Treasury bills and notes during the year, net domestic credit to Central Government contracted as its deposits, boosted by receipts from the sale of BTL shares, increased by \$45.4mn and its overdraft facility at the Central

Chart 1.1: Money Supply

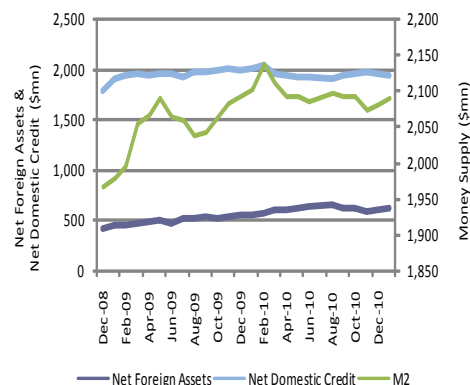


Chart 1.2: Gross International Reserves

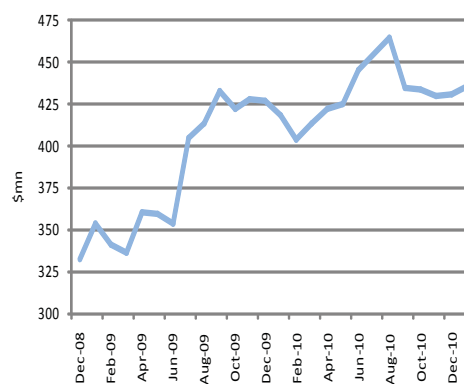
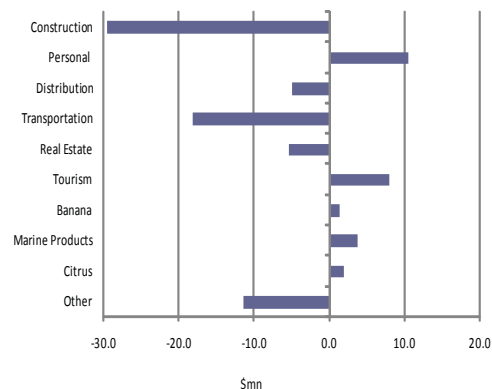


Chart 1.3: Commercial Banks' New Loans & Advances December 2009 - December 2010



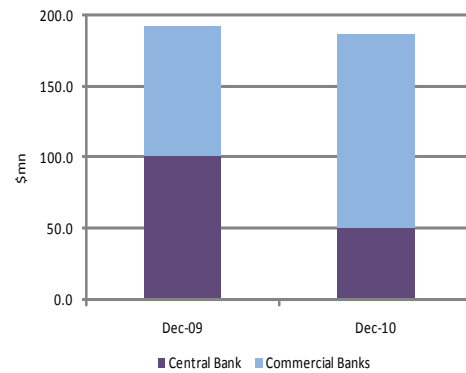
Bank fell by \$90.7mn. In addition to facilitating the latter, proceeds from the new securities were used to fund a \$10.0mn loan to BSI and a hurricane housing reconstruction program. Commercial banks used the new Treasury bills partly to meet the new securities requirement instituted in May and partly to invest surplus funds, given the lackluster credit conditions and limited investment options. At the end of the year, their Treasury bill holdings were \$20.7mn above the required level.

Given the high liquidity in the banking system and to ensure the participation of all banks in the Treasury bill market, the Central Bank mandated that commercial banks were to hold a minimum of 6.5% of their average deposit liabilities in Treasury bills, effective 1 May. To facilitate this, the cash reserve requirement was simultaneously lowered from 10.0% to 8.5% of average deposit liabilities. At the end of December, commercial banks held \$153.0mn in Treasury bills, of which the required portion totaled \$128.3mn. Sluggish credit conditions and net inflows from abroad underpinned a 52.6% build-up in excess statutory liquidity to \$160.1mn, some 35.7% above the required level. Excess cash reserves rose by 51.3% to \$60.5mn, which was 36.5% above the required level.

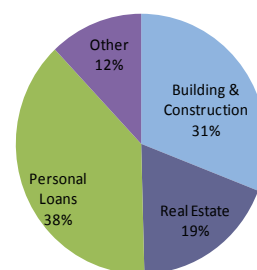
In view of the depressed credit growth and downward stickiness of lending rates, the Central Bank reduced the minimum interest rate on saving deposits from 4.5% to 3.5% on 1 November 2010 with the objective of further reducing commercial banks' cost of funds and providing more latitude for the lowering of lending rates. Over the year, the weighted average interest rate spread widened by 31 basis points to 8.17%, as the decline in deposit rates was more than double the fall in lending rates. Across-the-board rate declines pushed the weighted average deposit rate down by 51 basis points to 5.61%, while the weighted average lending rate fell by 20 basis points to 13.78%, reflecting lower rates on residential construction and commercial loans.

On February 2, Treasury bill issue 3/2011, valued at

**Chart 1.4: Central Government's Net Domestic Credit**



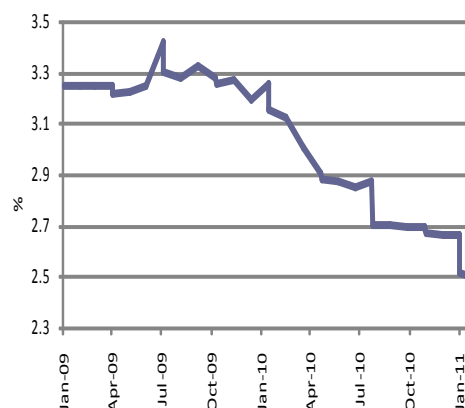
**Chart 1.5: Credit Unions' New Loans & Advances December 2009 - December 2010**



■ Building & Construction ■ Real Estate ■ Personal Loans ■ Other

\$19.0mn, was rolled over. The issue was fully subscribed and out of the four institutions that tendered, three were successful in obtaining the amounts requested. The average yield for this issue rose to 2.51545%, compared to the 2.49371% of issue 2/2011. As a result of the auction, commercial banks' holdings of Treasury bills rose by \$4.2mn bringing their holdings in excess of the statutory requirement to \$59.0mn as of January 19, 2011.

**Chart 1.6: Treasury Bill Average Yield**



## Real Sector Developments

### Overview

The main indicators of economic activity reflected a modest rebound from the stagnation of 2009. Production of the primary export commodities was uneven as higher output of sugarcane, sugar and molasses coincided with lower output of banana, petroleum and citrus. With higher earnings from all of the major commodities except sugar, export revenues increased by 25.3% to \$444.1mn due to a combination of higher prices or volume.

For the first three quarters of the year, imports declined by 3.6% to \$969.1mn year on year. All categories of imports were lower with the exception of 'Mineral, Fuels & Lubricants' and goods destined for the EPZs and CFZ. The fuel subcategory experienced the sharpest increase (19.2%) due to the 35.2% increase in the average price of the West Texas Intermediate (WTI) crude oil compared to the corresponding period.

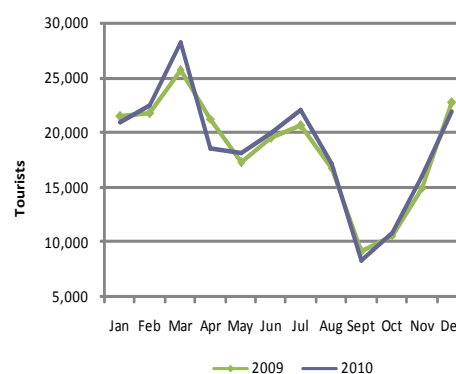
In other developments, tourism reversed its negative growth trend of the previous two years, as stay-over arrivals grew by 1.4% and cruise ship disembarkations rose by 8.4% in response to the successful marketing of economy packaged deals and short haul trips by the cruise lines. Meanwhile, the resurgence in oil prices and correspondent increases in domestic fuel acquisition

**Table 2.1 Production of Selected Domestic Exports**

	Jan-Dec 2009	Jan-Dec 2010	% Ch
Sugarcane Deliveries (long tons)	810,938	1,165,234	43.7
Sugar (Long tons)	83,084	93,116	12.1
Molasses (long tons)	24,867	55,479	123.1
Bananas (metric tons)	80,466	77,826	-3.3
Citrus Deliveries (boxes)	7,060,829	4,826,145	-31.6
Citrus Juices ('000 ps)	38,297	27,221	-28.9
Petroleum (barrels)	1,608,864	1,513,700	-5.9

Sources: Citrus Products of Belize, Banana Growers Association, Belize Sugar Industries, Geology & Petroleum Dept.

**Chart 2.1: Stayover Tourist Arrivals**



Source: Belize Tourism Board (BTB)

costs were the major cost drivers in the 1.2% average growth in the Consumer Price Index (CPI) for the first three quarters of the year, compared to the 1.3% deflation recorded for the similar period of 2009.

## Sugar

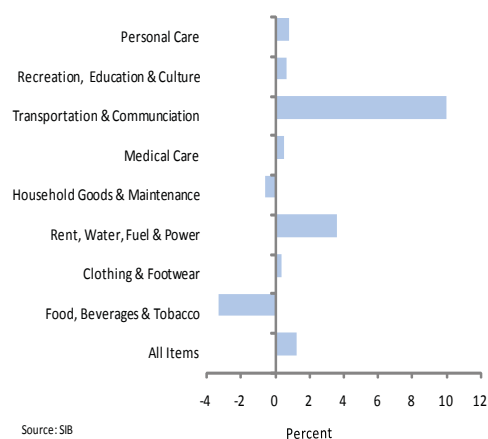
Difficulties in obtaining crop financing that eventually necessitated the government's intervention and partial provision of a bridge loan delayed the start of the 2010/2011 sugarcane harvest to the third week of December. The resolution of the cogeneration plant's start-up problems and the farmers' commitment to deliver quality sugarcane resulted in the almost tripling of sugarcane deliveries to 65,337 long tons for the month, compared to December 2009. With the improved quality of deliveries, cane purity was up by 7.4% and the cane/sugar ratio improved indicating that the output of one unit of sugar required 40.3% less sugarcane. Sugar and molasses production consequently rose significantly to 5,757 long tons and 1,549 long tons, respectively.

Annual sugar exports declined by 6.7% to 72,149 long tons, while revenues fell by a steeper 37.0% due to increased freight costs and the final European Union (EU) price cut that was implemented in October 2009. The EU remained the more stable market and offered a 'Fair Trade' premium (US\$60.0 per metric ton) on sugar sales that can be used to fund developmental projects in the sugarcane production belt. Consequently, the industry directed 99.8% of its sales to that market, with Canada receiving only 120 long tons.

## Citrus

For the first two months of the new crop year, citrus deliveries declined by 31.3% to 542,232 boxes due to significant fruit loss caused by Hurricane Richard three days into the start of the 2010/11 crop year. As the fore-runner crop, grapefruit was the most affected, so deliveries shrank by 54.0% to 349,657 boxes and outweighed a more than five-fold increase in orange deliveries to 192,575 boxes.

**Chart 2.2: Average Percentage Change in CPI during first 3 quarters of 2010.**



**Table 2.2: Selected Domestic Exports**

	\$mn	
	Jan-Dec 2009	Jan-Dec 2010
Sugar	89.1	58.7
Molasses	3.8	4.3
Bananas	66.9	71.6
Citrus	73.9	93.7
Petroleum	120.6	215.8
<b>Total</b>	<b>354.3</b>	<b>444.1</b>

Sources: BSI, BGA, CPBL, Geology & Petroleum Dept.

Juice production correspondingly decreased by 23.6% to 2.5mn pound solids (ps) as increased orange concentrate output was eclipsed by the 51.1% fall in grapefruit concentrates to 1.3mn ps. The yield of citrus oils edged up by 2.4% to 0.1mn pounds, while pulp production remained negligible.

Annual juice exports grew by 0.4% in volume, while higher international prices boosted revenues by 26.6% to \$93.7mn, year-on-year. In the case of orange concentrates, a smaller crop in Florida and production declines in Brazil reduced global juice supplies and underpinned price rallies in key markets such as the US that experienced a 53.2% average price increase and the EU that recorded a 26.5% price hike. In the case of grapefruit, prices strengthened in response to low beginning juice stocks and a smaller Florida crop. Consequently, a 3.8% volume decline in orange juices and 29.8% volume increase in grapefruit juices netted increases in export revenues of 22.3% for orange juices and 54.0% for grapefruit juices.

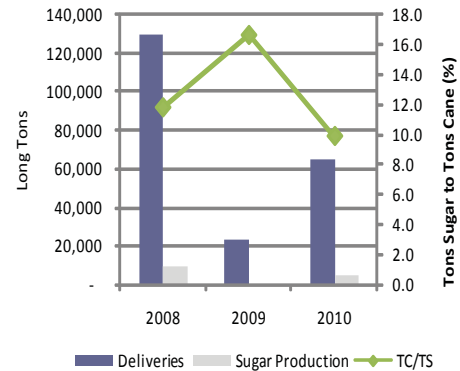
### Banana

After a first quarter production rebound, unfavorable agronomic conditions in the second quarter slowed plant development and fruit maturation, so banana production decreased by 3.3% to 77,826 metric tons compared to 2009. In a fortuitous development, Fyffes bumped up their price to farmers in exchange for exclusivity in marketing Belize’s bananas. Consequently, the average price per box rose by 10.8%, and revenues increased by 7.2% to \$71.6mn.

### Petroleum

In the first quarter, the petroleum industry experienced double digit growth in production, as ten wells were in operation compared to seven wells in 2009. Thereafter, production declined as a result of well downtime and the natural decline in output over an oil field’s life span. Consequently, annual petroleum production fell by 5.9% to 1,513,700 barrels when compared to 2009.

**Chart 2.3: Sugar Cane and Sugar Production for 2010/11 Crop Year**



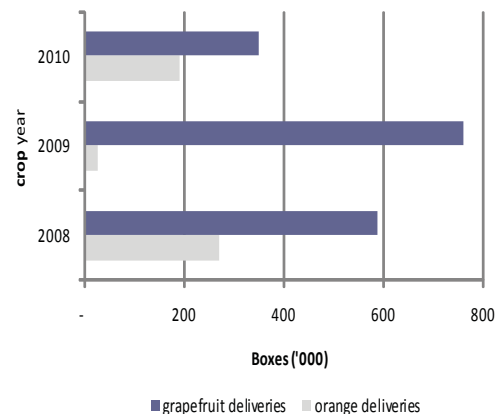
Source: BSI

**Chart 2.4: Sugar Exports**



Source: BSI

**Chart 2.5: Citrus Deliveries**



Source: CGA

Nonetheless, petroleum exports increased by 13.3% to 1,432,399 barrels due to the closure of Blue Sky Limited, the single largest local buyer. Revenues grew by 78.9% to \$215.8mn, underpinned by the 57.9% rise in oil prices to US\$75.30 per barrel in response to the general uptick in the global economic recovery.

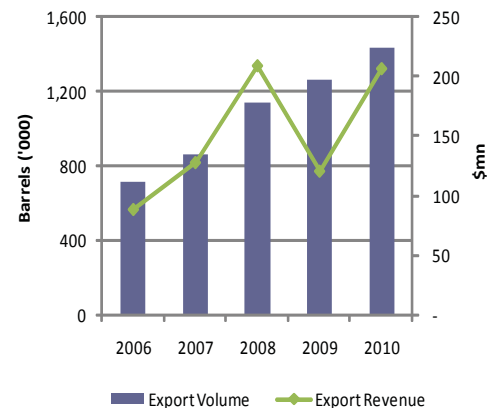
## Central Government Operations

During the first nine months of the 2010/2011 fiscal year, Government operations resulted in current and primary surpluses of \$63.2mn and \$44.4mn as well as an overall deficit of \$14.1mn. Revenues were relatively more buoyant as oil receipts and a series of revenue enhancing measures more than compensated for a sharp drop in (and reliance on) grant inflows.

While exceeding 2009 collections by 4.9%, revenues of \$559.6mn were below expectations, coming in at 69.0% of budget, with the increase coming mostly from tax receipts on domestic oil production and the General Sales Tax (GST). Boosted by the resurgence in crude oil prices, oil receipts rose by 59.4% to \$52.4mn or 9.4% of total revenues, while the GST increased by 21.4% to \$140.9mn in response to the 25.0% rate hike that took effect on 1 April 2010. The lower than expected performance of the GST was attributable partly to the increase in zero rated items and the exemption granted to monthly electricity consumption of \$200 and less. Other notable revenue increases of \$9.5mn came from non-tax sources such as BTL dividends and transfers from the BTB and Central Bank. Collections of personal income taxes were down by \$2.0mn, partly due to the tax reliefs given to persons with annual earnings between \$26,000 and \$29,000, while the fall in collections from international trade reflected the smaller import bill as well as the removal of import duties on select items. Grant receipts amounted to \$4.8mn, down substantially from the previous year.

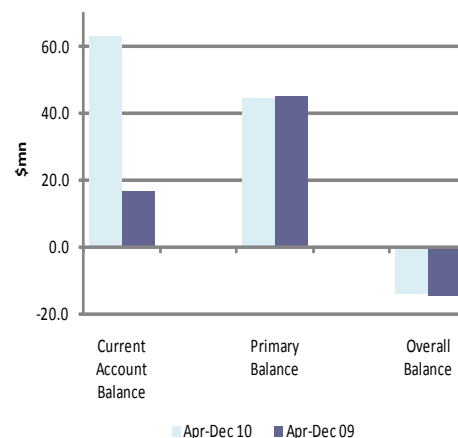
At \$573.8mn, expenditures were 65.4% of budgeted

Chart 2.6: Petroleum Exports



Source: Geology & Petroleum Department

Chart 3.1: Central Government's Operations

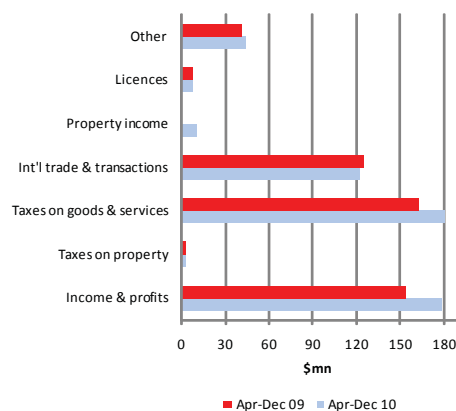


Source: Ministry of Finance

outlays and 4.4% above the comparable period of fiscal year 2009/2010. Current spending was held to 67.4% of the budget with expenditure modestly higher on all categories except pensions and interest payments, which edged downward. Outlays on wages and salaries rose by 1.7% and comprised 42.7% of current spending. A 3.1% increase on goods and services was mostly due to travel, training, contracts and consultancies. Higher grants to organizations, the Belize City Council and BAHA were responsible for the 4.0% increase in subsidies that stood at 75.7% of the budget. Meanwhile, interest payments were \$0.9mn lower, as a \$7.0mn reduction in domestic costs attributable to the substantial lowering of government's overdraft balance at the Central Bank and the increase in low interest government securities outweighed a \$6.1mn rise in external charges that reflected the step up in the interest rate on the super bond from 4.25% to 6.0%.

Expenditure on development projects totalled \$83.1mn, which was 25.7% above 2009 spending but still only 55.8% of the budgeted amount. While spending on locally funded projects was ahead of schedule at 84.2% of budget, spending on externally funded (Capital III) projects was one-third of planned outlays, indicative of capacity constraints and the involved, bureaucratic procedures required to access funds from multi-lateral sources. The backlog of major Capital III projects included the Kendall Bridge, paving of the Southern Highway, water systems, Mexico/Belize international crossing, rural finance, EU sugar support and the sustainable tourism project. Some \$29.6mn of capital expenditure went on infrastructure projects such as the upgrading of the Placencia road, poverty alleviation, maintenance of bridges, ferries, roads, culverts and causeways. Another \$15.9mn was spent on social projects that included the Social investment Fund, BNTF and the housing and population census. Projects like land development/acquisition and solid waste management were allotted \$9.0mn, and \$7.7mn was for housing. Youth, sports, culture, education, health, agriculture and security received \$11.4mn.

**Chart 3.2: Central Government's Current Expenditure**

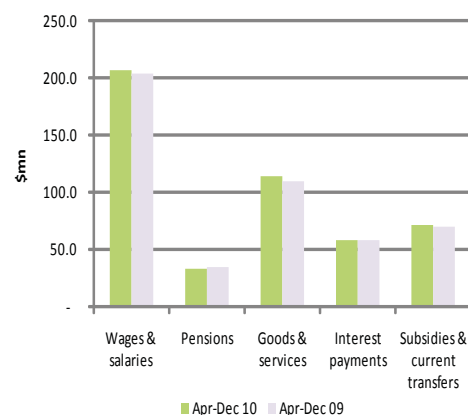


Source: Ministry of Finance

**Table 3.1: Development Expenditure**

	Apr-Dec '10 (\$mn)	Apr-Dec '09 (\$mn)
Public Works	29.55	23.67
Social Developments	15.87	2.59
Natural Resources	9.02	6.02
Housing	7.72	6.28
Health	2.62	1.1
Education	1.6	4.72
Agriculture & Fisheries	1.98	7.99
Other	14.76	13.74
<b>Total</b>	<b>83.14</b>	<b>66.12</b>

**Chart 3.2: Central Government's Current Expenditure**



Source: Ministry of Finance



## Central Government's Domestic Debt

During the year, Central Government's domestic debt rose by 14.9% to \$367.8mn with disbursements of \$159.3mn and repayments of \$21.9mn. The increase was virtually all due to the issuance of new government securities that consisted of \$65.0mn in Treasury notes and a net amount of \$75.0mn in Treasury bills. The proceeds were used to reduce Central Government's overdraft balance with the Central Bank by \$90.7mn to \$34.0mn (5.0% of the previous fiscal year's recurrent revenue). At year-end, Central Bank's share of the domestic debt fell from 53.6% in December 2009 to 41.6%, while that of the commercial banks rose from 34.2% to 44.9%.

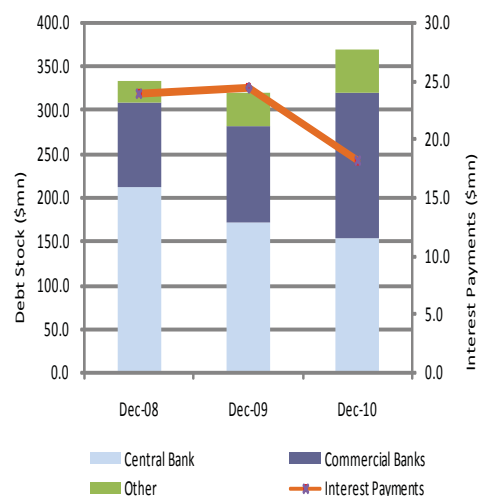
Interest payments totaled \$18.2mn, some \$6.3mn lower than the previous year as the average effective interest rate fell from 7.5% in 2009 to 5.3%. This cost saving was due to the shift in the composition of government's domestic debt, namely the substantial lowering of the overdraft balance at the Central Bank and increase in lower interest government securities.

In the secondary market, the commercial banks surrendered \$13.9mn worth of Treasury bills that was taken up by the Central Bank and non-bank entities. The Central Bank acquired \$1.0mn worth of Treasury notes that was surrendered by an international bank and in turn sold \$2.0mn worth of notes to non-bank entities.

## Public Sector External Debt

At year-end, the public sector external debt fell by \$12.9mn to \$2,018.3mn, as disbursements of \$60.1mn were outweighed by amortization payments of \$70.7mn and downward valuation adjustments of \$2.4mn. New borrowings came from bilateral sources, including \$20.0mn from ROC for budget support and \$40mn from multilateral sources, of which \$27.4mn and \$10.1mn came from CDB and IDB, respectively. The external public sector debt consisted of bonds (55.1%) and loans from multilateral creditors (27.6%) and bilateral creditors (17.3%).

**Chart 3.3: Central Government's Domestic Debt**



Central Government amortized \$54.2mn, of which \$27.3mn was paid to multilateral creditors and \$28.5mn went to bilateral lenders. The DFC made payments of \$11.2mn to the Belize Mortgage Company for the North American Securitization and \$1.6mn to CDB, while the non-financial public sector amortized \$3.4mn, of which \$2.4mn went to CDB.

Interest and other payments totaled \$82.2mn with Central Government paying 95.0% of this as the second interest payment on the 'super bond' became due in August, and the interest rate on the bond stepped up from 4.25% to 6.0%. Other payments of \$12.5mn and \$9.0mn went to multilateral and bilateral lenders, respectively. The financial public sector also made payments of \$3.0mn, most of which went to the Belize Mortgage Company and to multilateral creditors, while the non-financial public sector paid \$0.9mn to multilateral creditors.

The value of the outstanding debt stock fell as the appreciation of the US dollar against the SDR and Euro reduced the value of loans denominated in these currencies. On the other hand, those loans denominated in Kuwait dinar were subject to an upward valuation adjustment.

**Chart 3.4: Public Sector External Debt**



# Statistical Appendix

**Table A.1: Factors Responsible for Money Supply Movements**

\$mn

	Changes during			
	Position	Nov 2010	Dec 2009	Dec 2008
	as at	to	to	to
	Dec 2010	Dec 2010	Dec 2010	Dec 2009
<b>Net Foreign Assets</b>	<b>627.6</b>	<b>22.7</b>	63.3	<b>139.0</b>
Central Bank	445.6	4.3	11.0	104.6
Commercial Bank	182.1	18.4	52.3	34.4
<b>Net Domestic Credit</b>	<b>1,950.7</b>	<b>(10.1)</b>	<b>(51.5)</b>	<b>70.5</b>
Central Government (Net)	187.0	(12.4)	(8.6)	5.3
Other Public Sector	6.1	(0.4)	(0.9)	(5.9)
Private Sector	1,757.6	2.7	(42.0)	71.1
<b>Central Bank Foreign Liabilities(Long-term)</b>	<b>69.6</b>	<b>0.6</b>	<b>(1.2)</b>	<b>70.8</b>
<b>Other Items (net)</b>	<b>418.0</b>	<b>2.8</b>	<b>15.5</b>	<b>12.2</b>
<b>Money Supply M2</b>	<b>2,090.8</b>	<b>9.2</b>	<b>(2.5)</b>	<b>126.5</b>

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

\$mn

	Changes during			
	Position	Nov 2010	Dec 2009	Dec 2008
	as at	to	to	to
	Dec 2010	Dec 2010	Dec 2010	Dec 2009
<b>Net Foreign Assets of Banking System</b>	<b>627.6</b>	<b>22.5</b>	<b>63.2</b>	<b>139.0</b>
<b>Net Foreign Assets of Central Bank</b>	<b>445.5</b>	<b>4.1</b>	<b>10.9</b>	<b>104.6</b>
Central Bank Foreign Assets	448.6	4.9	12.9	102.5
Central Bank Foreign Liabilities(Demand)	3.1	0.8	2.0	-2.1
<b>Net Foreign Assets of Commercial Banks</b>	<b>182.1</b>	<b>18.4</b>	<b>52.3</b>	<b>34.4</b>
Commercial Bank Foreign Assets	226.5	12.9	22.5	-31.6
Commercial Bank Foreign Liab. (Short-Term)	44.4	(5.5)	(29.8)	(66.0)

**Table A.3: Net Domestic Credit**

\$mn

	Changes during			
	Position	Nov 2010	Dec 2009	Dec 2008
	as at	to	to	to
	Dec 2010	Dec 2010	Dec 2010	Dec 2009
<b>Total Credit to Central Government</b>	<b>318.2</b>	<b>4.4</b>	<b>36.8</b>	<b>-25.6</b>
<b>From Central Bank</b>	<b>153.0</b>	<b>12.3</b>	<b>-16.9</b>	<b>-42.2</b>
Loans and Advances	34.0	-14.6	-90.7	-6.2
Gov't Securities <sup>(1)</sup>	119.0	26.9	73.8	-36.0
<b>From Commercial Banks</b>	<b>165.2</b>	<b>-7.9</b>	<b>53.7</b>	<b>16.6</b>
Loans and Advances	2.7	0.0	-0.4	-3.1
Gov't Securities	162.5	-7.9	54.1	19.7
(of which) Treasury Bills	152.5	1.1	54.1	9.8
Treasury Notes	10.0	-9.0	0.0	10.0
Other	0.0	0.0	0.0	-0.1
<b>Less Central Government Deposits</b>	<b>131.2</b>	<b>16.8</b>	<b>45.4</b>	<b>-30.9</b>
With Central Bank	102.1	9.7	33.1	-40.3
With Commercial Banks	29.1	7.1	12.3	9.4
<b>Net Credit to Central Government</b>	<b>187.0</b>	<b>-12.4</b>	<b>-8.6</b>	<b>5.3</b>
<b>Credit to Other Public Sector</b>	<b>6.1</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-5.9</b>
From Central Bank	0.0	0.0	0.0	0.0
From Commercial Banks	6.1	-0.4	-0.9	-5.9
(of which) Local Government	3.3	-0.6	0.3	-4.7
Public Financial Institutions	0.0	0.0	0.0	-1.3
Public Utilities	0.0	0.0	0.0	0.0
Other Statutory Bodies	2.8	0.2	-1.2	0.1
Securities	0.0	0.0	0.0	0.0
<b>Plus Credit to the Private Sector</b>	<b>1,757.6</b>	<b>2.7</b>	<b>-42.0</b>	<b>71.1</b>
Loans and Advances	1,756.3	2.7	-42.0	73.7
Securities	1.3	0.0	0.0	-2.6
<b>Net Domestic Credit of the Banking System<sup>(2)</sup></b>	<b>1,950.7</b>	<b>-10.1</b>	<b>-51.5</b>	<b>70.5</b>

(1) Includes Gov't T-Bills, T-Notes & Debentures from Central Bank

(2) Differences due to rounding

**Table A.4: Sectoral Composition of Commercial Banks' Loans & Advances**

	\$mn			
	Position	Changes during		
	as at	Nov 2010	Dec 2009	Dec 2008
	Dec 2010	to	to	to
	Dec 2010	Dec 2010	Dec 2010	Dec 2009
<b>PRIMARY SECTOR</b>	<b>194.5</b>	<b>(1.7)</b>	<b>1.3</b>	<b>-4.7</b>
Agriculture	132.4	-1.2	-1.7	-1.7
Sugar	13.0	-2.3	-4.8	0.2
Citrus	18.9	0.0	2.0	-1.8
Bananas	78.4	1.5	1.4	-2.0
Other	22.1	-0.4	-0.3	1.9
Marine Products	37.5	-0.7	3.8	5.6
Forestry	1.6	0.0	-0.8	0.1
Mining & Exploration	23.0	0.2	0.0	-8.7
<b>SECONDARY SECTOR</b>	<b>521.2</b>	<b>5.7</b>	<b>-29.1</b>	<b>81.6</b>
Manufacturing	47.2	-0.5	-2.4	8.3
Building & Construction	447.9	5.4	-29.5	65.8
Utilities	26.1	0.8	2.8	7.5
<b>TERTIARY SECTOR</b>	<b>661.4</b>	<b>-5.6</b>	<b>-26.1</b>	<b>-7.6</b>
Transport	57.9	0.7	-18.0	0.0
Tourism	137.8	3.8	8.0	-3.0
Distribution	217.7	-8.0	-4.9	-5.2
Other <sup>(1)</sup>	248.0	-2.1	-11.2	0.6
<b>Personal Loans</b>	<b>384.9</b>	<b>3.8</b>	<b>10.5</b>	<b>-6.3</b>
<b>TOTAL</b>	<b>1,762.0</b>	<b>2.2</b>	<b>-43.4</b>	<b>63.0</b>

(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 Dec 2010	Changes during		
		Nov 2010 to Dec 2010	Dec 2009 to Dec 2010	Dec 2008 to Dec 2009
		<b>Holdings of Approved Liquid Assets</b>	<b>608.2</b>	<b>7.2</b>
Notes and Coins	64.6	5.8	14.0	3.6
Balances with Central Bank	225.6	1.4	-4.6	35.9
Money at Call and Foreign Balances (due 90 days)	135.2	0.8	0.5	-14.6
Treasury Bills maturing in not more than 90 days	150.9	-0.4	52.8	18.6
Other Approved assets	31.9	-0.4	-5.8	16.4
of which: Treasury notes	16.6	-2.4	-4.6	21.2
<b>Required Liquid Assets</b>	<b>448.1</b>	<b>-3.0</b>	<b>1.7</b>	<b>39.1</b>
<b>Excess/(Deficiency) Liquid Assets</b>	<b>160.1</b>	<b>10.2</b>	<b>55.2</b>	<b>20.8</b>
Daily Average holdings of Cash Reserves	226.1	0.9	-7.9	41.9
Required Cash Reserves	165.6	-1.1	-28.5	17.0
<b>Excess/(Deficiency) Cash Reserves</b>	<b>60.5</b>	<b>2.0</b>	<b>20.6</b>	<b>24.9</b>
Actual Securities Balances	153.0	1.0	153.0	0.0
Required Securities Balances	128.3	0.0	128.3	0.0
<b>Excess/(Deficiency) Securities</b>	<b>24.7</b>	<b>1.0</b>	<b>24.7</b>	<b>0.0</b>

**Table A.6: Weighted Average Interest Rates**

Percent

	Position as at Dec 2010	Changes during		
		Nov 2010 to Dec 2010	Dec 2009 to Dec 2010	Dec 2008 to Dec 2009
		<b>Weighted Lending Rates</b>		
Personal Loans	15.49	-0.06	0.21	-0.66
Commercial Loans	13.39	0.03	-0.13	-0.03
Residential Construction	13.18	-0.03	-0.08	0.48
Other	12.31	-0.29	1.02	-2.16
<b>Weighted Average</b>	<b>13.78</b>	<b>0.00</b>	<b>-0.20</b>	<b>-0.12</b>
<b>Weighted Deposit Rates</b>				
Demand	0.48	-0.11	-0.24	-0.38
Savings/ Cheque	5.00	0.06	0.00	-0.09
Savings	4.97	0.04	-0.27	-0.04
Time	7.42	-0.09	-0.75	-0.34
<b>Weighted Average</b>	<b>5.61</b>	<b>-0.10</b>	<b>-0.51</b>	<b>-0.23</b>
<b>Weighted Average Spread</b>	<b>8.17</b>	<b>0.10</b>	<b>0.31</b>	<b>0.11</b>

**Table A.7: Import by SITC Category**

	Jan-Sep 2008	Jan-Sep 2009	Jan-Sep 2010
Food, beverages, tobacco	134.4	138.6	126.2
Fuels, lubricants, crude materials	234.1	167.8	180.4
Oils, fats, chemicals	94.5	98.6	92.2
Manufactured goods & Other Manufactures	248.9	209.2	194.7
Machinery, transport	265.3	208.3	168.3
Other goods	3.9	2.4	2.2
EPZ's and CFZ's	298.2	180.0	205.1
<b>Total</b>	<b>1,279.3</b>	<b>1,004.9</b>	<b>969.1</b>

Source: Statistical Institute of Belize

**Table A.8: Tourist Arrivals**

	Jan-Dec 2009	Jan-Dec 2010
Air	169,212	172,378
Land	42,560	42,575
Sea	<u>9,883</u>	<u>9,782</u>
<b>Stay-over Visitors</b>	221,654	224,735
<b>Cruise Ship Disembarkations</b>	<b>634,697</b>	<b>688,165</b>

**Table A.9: Sugarcane Deliveries & Production of Sugar and Molasses**

	December 2009	December 2010
<b>Deliveries of Sugarcane (long tons)</b>	22,867	65,337
<b>Sugar Processed (long tons)</b>	818	5,757
<b>Molasses processed (long tons)</b>	285	1,549
<b>Performance</b>		
Factory Time Efficiency (%)	82.13	94.54
Cane Purity (%)	78.82	84.69
Cane/Sugar	16.68	9.95

Source: Belize Sugar Industries

**Table A.10: Exports of Sugar and Molasses**

	December 2009		December 2010		Jan– Dec 2009		Jan– Dec 2010	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
<b>Sugar</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77,322</b>	<b>93,735</b>	<b>72,149</b>	<b>59,018</b>
E.U.	0	0	0	0	77,224	93,636	72,029	58,904
USA	0	0	0	0	0	0	0	0
Caricom	0	0	0	0	0	0	0	0
Other	0	0	0	0	98	99	120	114
<b>Molasses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,500</b>	<b>3,868</b>	<b>42,303</b>	<b>4,260</b>

Source: Belize Sugar Industries

**Table A.11: Citrus Deliveries & Production**

	December	December	Oct– Dec	Oct– Dec
	2009	2010	2009	2010
<b>Deliveries (boxes)</b>				
Orange	1,170	93,440	28,289	192,575
Grapefruit	<u>297,785</u>	<u>73,318</u>	<u>760,899</u>	<u>349,657</u>
<b>Total</b>	<b>298,955</b>	<b>166,758</b>	<b>789,188</b>	<b>542,232</b>
<b>Concentrate Produced (ps)</b>				
Orange	876,316	525,012	161,846	1,072,662
Grapefruit	<u>5,887</u>	<u>310,108</u>	<u>2,724,383</u>	<u>1,333,469</u>
<b>Total</b>	<b>882,203</b>	<b>835,120</b>	<b>2,886,229</b>	<b>2,406,131</b>
<b>Not from concentrate (ps)</b>				
Orange	0	0	0	4,165
Grapefruit	<u>362,414</u>	<u>0</u>	<u>396,772</u>	<u>98,709</u>
<b>Total</b>	<b>362,414</b>	<b>0</b>	<b>396,772</b>	<b>102,874</b>
<b>Pulp (pounds)</b>				
Orange	0	0	0	18,656
Grapefruit	<u>0</u>	<u>5,088</u>	<u>0</u>	<u>21,200</u>
<b>Total</b>	<b>0</b>	<b>5,088</b>	<b>0</b>	<b>39,856</b>
<b>Oil Produced (pounds)</b>				
Orange	400	41,200	10,000	78,400
Grapefruit	48,800	<u>9,200</u>	<u>109,600</u>	<u>42,000</u>
<b>Total</b>	<b>49,200</b>	<b>50,400</b>	<b>119,600</b>	<b>120,400</b>

Sources: Citrus Products of Belize, Citrus Growers Association



**Table A.12: Export Sales of Citrus Products**

	December		December		Jan– Dec		Jan– Dec	
	2009		2010		2009		2010	
	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)
<b>Citrus Concentrates</b>								
<b>U.S.A.</b>								
Orange	1,718.4	3,746	611.4	1,854	20,307.3	34,099	15,727.7	40,472
Grapefruit	0.0	0	96.5	204	23.1	44	445.3	1,107
<b>Caribbean</b>								
Orange	181.2	447	185.9	523	8,468.1	21,420	6,352.7	16,374
Grapefruit	46.9	159	63.8	210.7	546.6	1,850	627.2	2,094
<b>Europe</b>								
Orange	0	0	0	0	878.9	1,652	5,786.0	13,765
Grapefruit	115.9	244	213.7	618	2,893.1	6,009	3,011.9	7,814
<b>Other</b>								
Orange	0	0	304.1	735	2,344.6	6,031	2,917.2	6,673
Grapefruit	165.7	451	90.1	225.5	1,232.0	2,748	2,007.5	5,385
<b>Sub-Total<sup>(1)</sup></b>	<b>2,228.2</b>	<b>5,047</b>	<b>1,565.7</b>	<b>4,372</b>	<b>36,693.9</b>	<b>73,854</b>	<b>36,875.4</b>	<b>93,684</b>
Orange	1,899.7	4,193	1,101.5	3,113	31,999.1	63,203	30,783.5	77,284
Grapefruit	328.5	854	464.2	1,259	4,694.8	10,651	6,091.9	16,400
<b>Not-From-Concentrate</b>								
<b>Sub-Total</b>	<b>24.6</b>	<b>113</b>	<b>0</b>	<b>0</b>	<b>31.9</b>	<b>135</b>	<b>0.4</b>	<b>2</b>
Orange	24.6	113	0	0	26.6	111	0	0
Grapefruit	0	0	0	0	5.3	24	0.4	2
<b>Total Citrus Juices</b>	<b>2,252.8</b>	<b>5,161</b>	<b>1,565.7</b>	<b>4,372</b>	<b>36,725.6</b>	<b>73,989</b>	<b>36,875.9</b>	<b>93,686</b>
<b>Pulp (pounds '000)</b>								
<b>Sub-Total<sup>(1)</sup></b>	<b>244.2</b>	<b>173</b>	69.9	50	2,928.3	2,075	1,654.4	1,192
Orange	244.2	173	0	0	2,729.0	1,931	1,423.8	1,024
Grapefruit	0	0	69.9	50	199.3	144	230.6	168

Source: Citrus Products of Belize

(1) Value may not equal to total due to rounding.

**Table A.13: Government Revenue & Expenditure**

	Approved Budget 2010/2011	Apr-10 to Dec-10	Apr-10 to Dec-09	Actual YTD as % of Budget
<b>TOTAL REVENUE &amp; GRANTS (1+2+3)</b>	<b>811,589</b>	<b>559,634</b>	<b>534,932</b>	<b>69.0%</b>
1). Current revenue	784,268	549,774	496,620	70.1%
Tax revenue	703,493	486,209	445,922	69.1%
Income and profits	247,549	178,929	153,774	72.3%
Taxes on property	7,003	3,956	3,800	56.5%
Taxes on goods and services	273,105	180,710	162,666	66.2%
Int'l trade and transactions	175,836	122,614	125,682	69.7%
Non-Tax Revenue	80,775	63,565	50,699	78.7%
Property income	6,930	10,686	1,155	154.2%
Licences	11,780	8,537	7,980	72.5%
Other	62,064	44,341	41,564	71.4%
2). Capital revenue	4,800	5,057	9,956	105.4%
3). Grants	22,521	4,803	28,356	21.3%
<b>TOTAL EXPENDITURE (1+2)</b>	<b>877,102</b>	<b>573,783</b>	<b>549,529</b>	<b>65.4%</b>
1). Current Expenditure	721,602	486,557	479,813	67.4%
Wages and Salaries	291,240	207,679	204,172	71.3%
Pensions	50,416	33,494	35,549	66.4%
Goods and Services	165,610	114,086	110,698	68.9%
Interest Payments on Public Debt	118,225	58,574	59,499	49.5%
Subsidies & current transfers	96,111	72,725	69,896	75.7%
2). Capital Expenditure	155,499	87,226	69,716	56.1%
Capital II (local sources)	65,994	55,575	36,096	84.2%
Capital III (foreign sources)	83,046	27,562	30,028	33.2%
Capital Transfer & Net Lending	6,459	4,089	3,592	63.3%
<b>CURRENT BALANCE</b>	<b>62,666</b>	<b>63,216</b>	<b>16,807</b>	<b>100.9%</b>
<b>Primary Balance</b>	<b>52,712</b>	<b>44,425</b>	<b>44,903</b>	<b>84.3%</b>
<b>OVERALL BALANCE</b>	<b>(65,512)</b>	<b>(14,149)</b>	<b>(14,597)</b>	<b>21.6%</b>
<b>PB less Grants</b>	<b>30,191</b>	<b>39,622</b>	<b>16,546</b>	<b>131.2%</b>
<b>OB less Grants</b>	<b>(88,033)</b>	<b>(18,952)</b>	<b>(42,953)</b>	<b>21.5%</b>
FINANCING	65,512	14,149	14,597	
<b>Domestic Financing</b>		(29,442)	(16,696)	
Central Bank		(83,566)	(33,585)	
Net Borrowing		(18,661)	(13,577)	
Change in Deposits		(64,905)	(20,008)	
Commercial Banks		41,792	(1,051)	
Net Borrowing		53,744	(2,160)	
Change in Deposits		(11,952)	1,109	
Other Domestic Financing		12,331	17,940	
<b>Financing Abroad</b>		<b>13,193</b>	<b>40,395</b>	
Disbursements		51,123	94,266	
Amortization		(37,929)	(53,871)	
Privatization Proceeds		33,296		
Other		(2,898)	(9,102)	

Source: Ministry of Finance and Central Bank of Belize

**Table A.14: Central Government's Domestic Debt<sup>(1)</sup>**

	\$'000					Disbursed Outstanding Debt 31/11/10 <sup>P</sup>
	TRANSACTIONS THROUGH DECEMBER 2010					
	Disbursed Outstanding Debt 30/12/09 <sup>R</sup>	Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
<b>Overdraft / Loans</b>	<b>124,769</b>	<b>0</b>	<b>0</b>	<b>6,072</b>	<b>(90,723)</b>	<b>34,046</b>
Central Bank	124,769	0	0	6,072	(90,723)	34,046
Commercial Banks	0	0	0	0	0	(0)
<b>Treasury Bills</b>	<b>100,000</b>	<b>93,992</b>	<b>18,992</b>	<b>4,174</b>	<b>0</b>	<b>175,000</b>
Central Bank	158	7,015	0	431	13,841	21,014
Commercial Banks	98,420	86,500	18,515	3,694	(13,883)	152,522
Other	1,422	477	477	49	42	1,464
<b>Treasury Notes</b>	<b>70,800</b>	<b>65,000</b>	<b>0</b>	<b>5,967</b>	<b>1,000</b>	<b>136,800</b>
Central Bank	35,096	53,900	0	2,497	(1,005)	87,991
Commercial Banks	10,000	0	0	870	0	10,000
Other	25,704	11,100	0	2,600	2,005	38,809
<b>Defence Bonds</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>10,000</b>
Central Bank	10,000	0	0	800	0	10,000
Commercial Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Heritage Bank Ltd</b>	<b>3,146</b>	<b>0</b>	<b>403</b>	<b>450</b>	<b>0</b>	<b>2,743</b>
<b>Belize Social Security Board<sup>(2)</sup></b>	<b>5,377</b>	<b>0</b>	<b>1,003</b>	<b>462</b>	<b>0</b>	<b>4,374</b>
<b>Fort St Tourism Vlg.</b>	<b>0</b>	<b>266</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>96</b>
<b>GOB (Debt for Nature Swap)</b>	<b>5,103</b>	<b>0</b>	<b>1,356</b>	<b>121</b>	<b>0</b>	<b>3,747</b>
<b>Guardian Life Bze</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>0</b>	<b>1,000</b>
<b>Total</b>	<b>320,194</b>	<b>159,258</b>	<b>21,924</b>	<b>18,182</b>	<b>(89,722)</b>	<b>367,806</b>

<sup>(1)</sup> Transaction associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

<sup>(2)</sup> GOB has outstanding loan with BSSB consisting of (1) Hopeville Housing Project and (2) loan purchased from DFC (as of Jan 30th 2007).

**Table A.15: Public Sector External Debt by Creditor**

\$'000

	Disbursed		TRANSACTIONS FROM JANUARY TO DECEMBER 2010				Disbursed
	Outstanding	Debt	Disbursements	Principal Payments	Interest & Other Payments	Parity Change	Outstanding
	30/12/09 <sup>a</sup>						31/11/10 <sup>b</sup>
<b>CENTRAL GOVERNMENT</b>	<b>1,882,112</b>	<b>59,103</b>	<b>54,162</b>	<b>78,121</b>	<b>-1,144</b>	<b>1,885,909</b>	
Banco Nacional de Comercio Exterior	5,844	0	1,080	356	0	4,764	
Government of the United States <sup>(2)</sup>	1,735	0	639	74	0	1,096	
Government of Trinidad and Tobago	4	0	4	0	0	0	
Government of Venezuela	39,527	73	452	186	0	39,148	
Kuwait Fund for Arab Economic Dev	18,293	0	1,650	469	287	16,930	
Republic of China	281,148	20,000	20,264	7,829	0	280,884	
Caribbean Development Bank	171,036	26,471	8,569	5,569	1	188,939	
European Economic Community	16,917	0	760	104	-1,382	14,775	
European Investment Bank	196	0	92	4	-13	91	
Inter-American Development Bank	204,450	10,078	8,605	5,668	0	205,922	
International Fund for Agric. Dev.	877	700	132	17	-37	1,408	
Intl. Bank for Reconstruction & Dev.	30,446	0	7,651	420	0	22,795	
Opec Fund for Int'l. Development	14,514	801	1,533	696	0	13,782	
Central American Bank for Econ. Integ.	0	980	0	61	0	980	
Manufacturers & Traders Trust Co.	2,595	0	1,730	121	0	865	
Heritage International Bank & Trust	1,000	0	1,000	45	0	0	
Bearn Stearns & Co (Untendered portion)	5,916	0	0	0	0	5,916	
Bank of New York (New Bond Issue)	1,087,613	0	0	56,503	0	1,087,613	
<b>NON-FINANCIAL PUBLIC SECTOR <sup>(3)</sup></b>	<b>33,182</b>	<b>970</b>	<b>3,428</b>	<b>1,149</b>	<b>69</b>	<b>30,793</b>	
Kuwait Fund for Arab Economic Dev	5,228	0	694	187	69	4,603	
Deutsche Bank	471	0	384	42	0	86	
Caribbean Development Bank	27,483	970	2,350	920	0	26,104	
<b>FINANCIAL PUBLIC SECTOR</b>	<b>115,933</b>	<b>0</b>	<b>13,063</b>	<b>2,951</b>	<b>-1,289</b>	<b>101,580</b>	
Caribbean Development Bank	13,695	0	1,611	305	0	12,084	
European Economic Community	501	0	38	4	-39	423	
Paine Webber Real Estate Securities	900	0	200	9	0	700	
Belize Mortgage Company <sup>(4)</sup>	29,995	0	11,214	2,299	0	18,781	
International Monetary Fund <sup>(5)</sup>	70,842	0	0	333	-1,250	69,592	
<b>GRAND TOTAL</b>	<b>2,031,227</b>	<b>60,074</b>	<b>70,653</b>	<b>82,221</b>	<b>-2,365</b>	<b>2,018,282</b>	

<sup>(1)</sup> Guaranteed Outstanding external debt of private entities remain a contingent liability of Central Government and are not reported on this table.

<sup>(2)</sup> USAID Debt for Nature Swap Agreement as at 2nd August, 2001 was implemented on 30th November, 2001 for BZ \$17,168

<sup>(3)</sup> Effective October 3rd 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize repurchase of the company.

<sup>(4)</sup> BMC is the issuer of the DFC North American Securitization Loan through the Bank of New York.

<sup>(5)</sup> IMF SDR Allocation is included as part of financial public sector external debt obligation.