



CENTRAL BANK

of BELIZE



MONTHLY ECONOMIC REPORT

JULY 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:

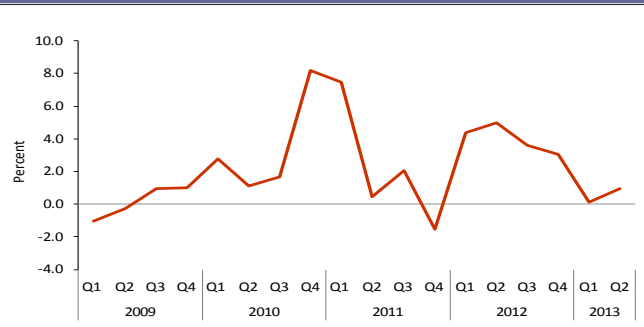
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2013 figures in this report are provisional and the figures for 2012 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.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

Table of Contents

Summary of Economic Indicators	iv
Money and Credit	1
Real Sector Developments	4
Sugarcane and Sugar	5
Citrus	5
Banana	6
Petroleum	6
Marine Exports	7
Other Domestic Exports	7
Central Government Operations	8
Central Government Domestic Debt	9
Public Sector External Debt	10
Statistical Appendix	12
Table A.1: Factors Responsible for Money Supply Movements	12
Table A.2: Net Foreign Assets of the Banking System	12
Table A.3: Net Domestic Credit	13
Table A.4: Sectoral Composition of Commercial Banks' Loan and Advances	14
Table A.5: Commercial Banks' Liquidity Position and Cash Reserves	15
Table A.6: Commercial Banks' Weighted Average Interest Rates	15
Table A.7: Commercial Banks' Weighted Average Interest Rates on New Loans and Deposits	16
Table A.8: Tourist Arrivals	16
Table A.9: Percentage Change in Consumer Price Index Components by Major Commodity Group	17
Table A.10: Sugarcane Deliveries and Production of Sugar and Molasses	17
Table A.11: Exports of Sugar and Molasses	18
Table A.12: Citrus Deliveries and Production	18
Table A.13: Export Sales of Citrus Products	19
Table A.14: Banana Exports	20
Table A.15: Marine Exports	20
Table A.16: Other Domestic Exports	20
Table A.17: Central Government Revenue and Expenditure	21
Table A.18: Central Government Domestic Debt 2013	22
Table A.19: Public Sector External Debt 2013	23

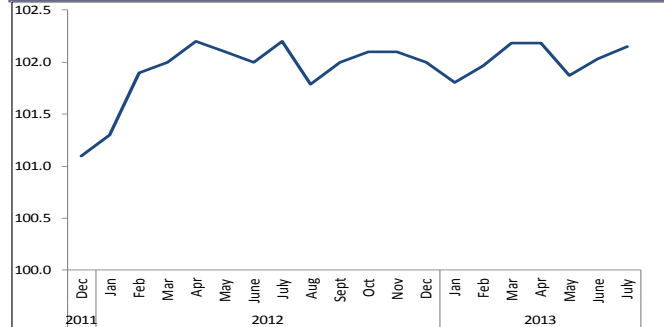
Summary of Economic Indicators

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: Balance of Payments

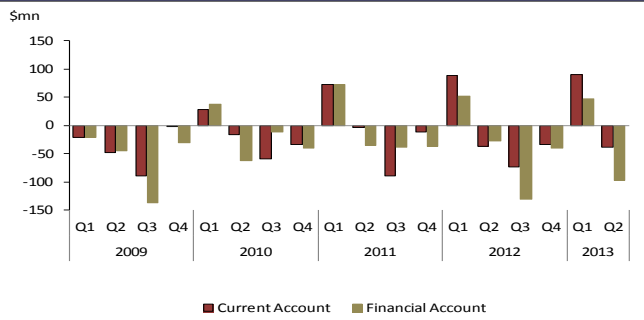


Chart IV: Net Foreign Assets

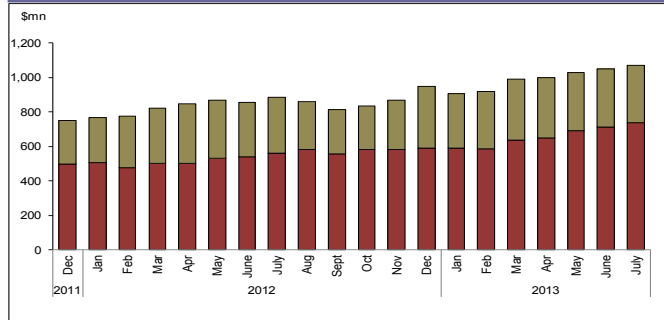


Chart V: Commercial Banks - Deposits and Loans and Advances

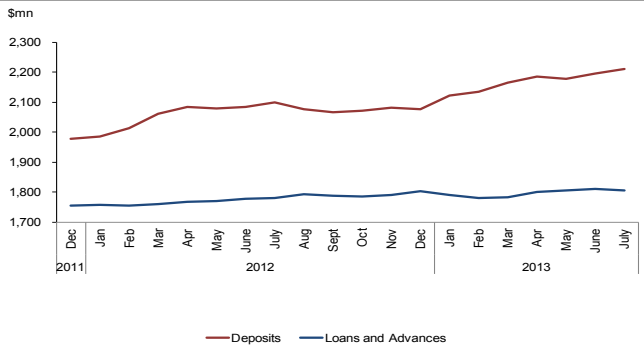


Chart VI: Excess Cash Balances

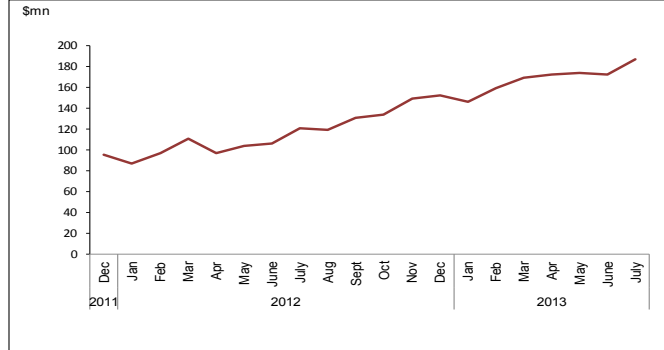
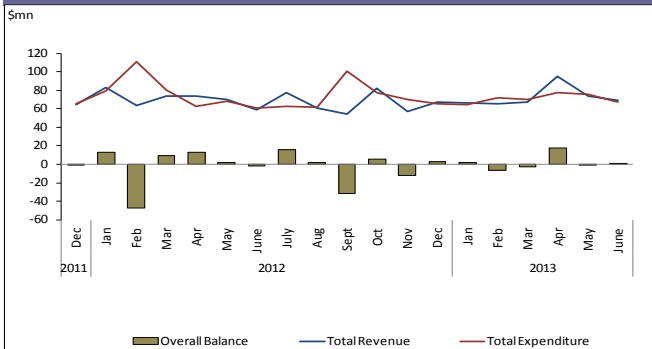


Chart VII: Central Government Operations



Sources: CBB and MOF

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



Money and Credit

Marginal growth in private sector credit and a sizeable increase in the banking system's net foreign assets were largely offset by a contraction in net domestic credit to Central Government during the first seven months of the year. Broad money consequently grew by 1.6% compared to the 6.0% increase in the similar period of 2012.

The Central Bank's net foreign assets rose by \$146.6mn over the period reviewed partly due to loan disbursements under the Venezuelan Petrocaribe Agreement (VPCA) and the capitalization of the February interest payment on the superbond that was agreed to in the debt restructuring negotiations. Foreign exchange purchases totalled \$263.4mn and were largely comprised of loan disbursements (52.6%), proceeds from sugar exports (20.0%) and petroleum royalties and taxes (12.5%). The Central Bank sold \$116.3mn in foreign currency, of which 78.0% was allocated to meet Central Government's external debt obligations. In contrast to the Central Bank, the net foreign assets of the commercial banks contracted by \$23.8mn as heightened tourism earnings were more than offset by increased payments for imports and the transfer of \$62.0mn in VPCA funds from the domestic banking system to an international bank.

Net domestic credit to Central Government plummeted by \$110.3mn as the VPCA inflows boosted its deposits at the Central Bank. This overshadowed an \$8.4mn increase in the Government's overdraft balance at the Central Bank, which stood at \$64.8mn at the end of July, just below the legislated ceiling of \$69.0mn for the 2013/2014 fiscal year. Credit to the private sector rose by only \$3.1mn partly due to the continued non-performing loan write-offs of the commercial banks. The latter totalled \$33.1mn with

Chart 1.1: Net Foreign Assets and Net Domestic Credit

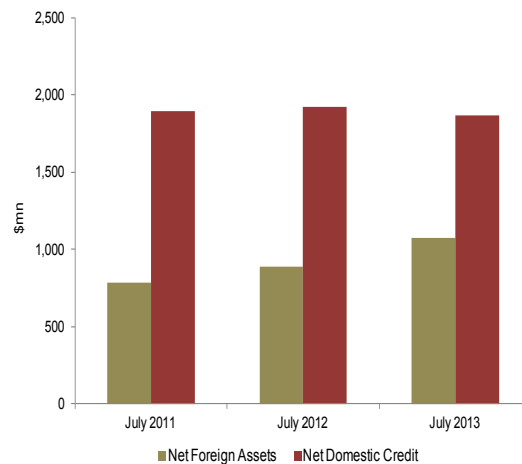


Chart 1.2: Commercial Banks' Net Foreign Assets

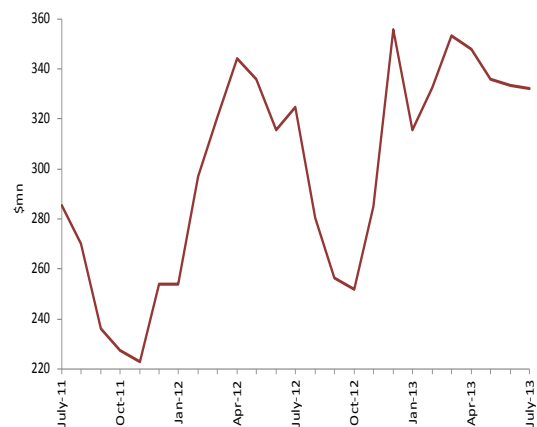
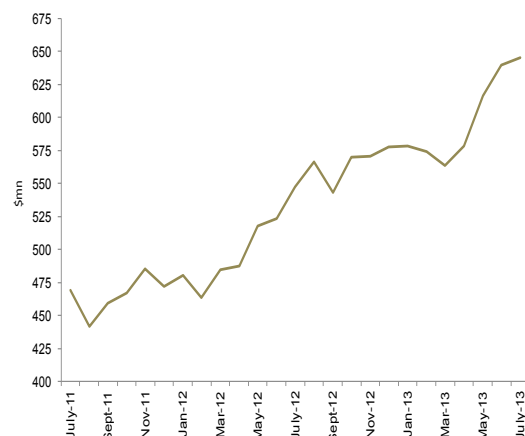


Chart 1.3: Gross International Reserves



\$18.5mn of this being recorded in the month of July. The commercial banks focused their lending on activities in construction (\$19.0mn) and real estate (\$17.7mn), while disbursements for most other activities were down. The largest declines were for distribution (\$16.5mn), marine products (\$10.3mn), manufacturing (\$7.4mn), transportation (\$6.9mn) and personal use (\$2.3mn). The loan write-offs were concentrated in activities related to marine production, tourism, real estate ventures and distribution. Loans to statutory bodies included \$1.5mn for public utilities, while net repayments of \$0.5mn were received from local government entities.

Lending by the five largest credit unions grew by \$25.7mn, roughly twice the growth realized during the same period of 2012 and more than eight times the increase in commercial banks' lending to the private sector this year. Disbursements were mainly for educational purposes, agricultural processing, commercial real estate, land acquisition, residential construction, sugar processing and distribution. Net repayments were made on miscellaneous consumer loans, household items, grain processing and home improvement.

With credit growth remaining flat, liquidity continued its upward climb. Holdings of approved liquid assets rose by \$57.4mn against a \$23.8mn increase in the amount required, and cash reserves were up by \$43.4mn compared to an \$8.8mn rise in requirements. At the end of July, statutory liquid assets and primary cash balances exceeded requirements by 69.4% and 95.6%, respectively. Against this backdrop, commercial banks' interest rates moved further downward over the period reviewed. The weighted average lending rate fell by 32 basis points (compared to a 70 basis point reduction in 2012) to 11.67%, with rate cuts

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

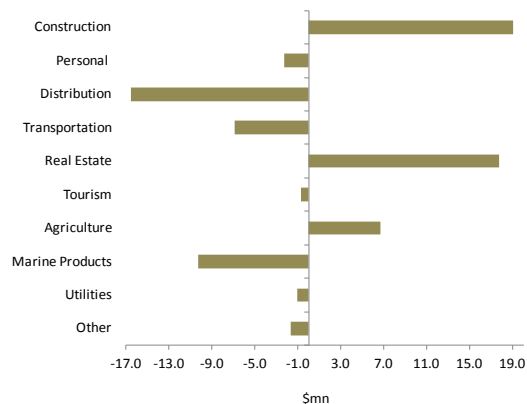


Chart 1.5: Excess Statutory Liquidity

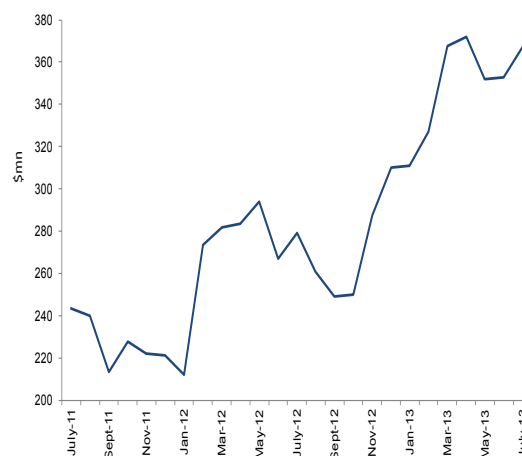
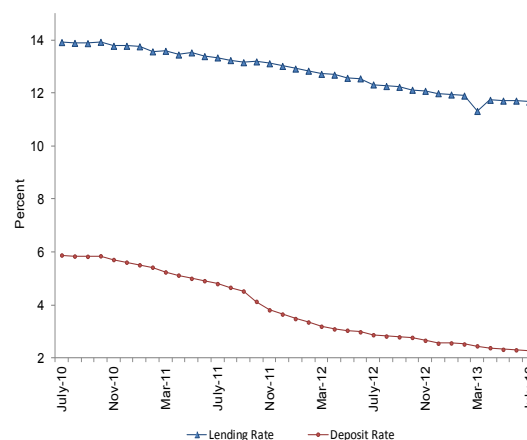


Chart 1.6: Commercial Banks' Weighted Average Lending and Deposit Interest Rates



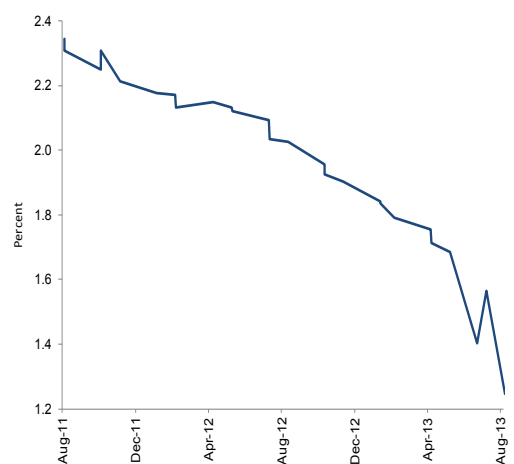
occurring in all categories of lending, but more so for residential construction and personal loans, which fell by 41 and 37 basis points, respectively. At the same time, a 41 basis point decline in time deposit rates underpinned a 29 basis point reduction in the weighted average deposit rate (compared to a 78 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 10 basis points. The net result was a reduction in the weighted average interest rate spread by three basis points to 9.41%.

The persistently high levels of excess liquidity underpinned the competitive bidding among commercial banks for Treasury bills. At the end of July, banks' Treasury bill holdings amounted to \$171.0mn or 97.7% 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: Weighted Average Interest Rates on New Loans and New Deposits



Chart 1.8: Treasury Bill Yield



Real Sector Developments

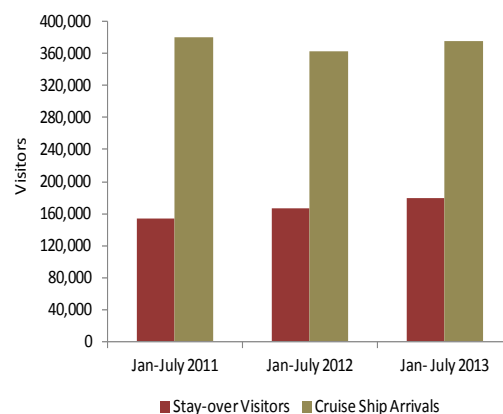
Petroleum extraction continued to decline while production of banana and deliveries of sugarcane and citrus were negatively impacted by unfavorable weather. On the upside, output of papaya and marine commodities expanded by 46.0% and 48.9%, respectively, over the year to date.

The Consumer Price Index (CPI) increased by 0.1% in July relative to the previous month. The month-on-month increase reflected higher prices for “Food and Non-Alcoholic Beverages and “Alcoholic Beverages and Tobacco”, which increased by 0.7% and 0.2% respectively, that were mostly attributable to beef and veal, poultry and eggs and egg-based products. For January through July, the general price level remained unchanged compared to December 2012.

In a repeat performance of the growth achieved during the comparable period of 2012, arrivals of stay-over tourists increased by 8.0% to 179,977 visitors, with increases recorded at all entry points. Cruise ship disembarkations expanded by 3.6% to 376,191 with the deployment of larger ships. Aggressive marketing efforts and heightened publicity, aided in part by improvements in the economies of Belize’s main source markets, were the main drivers of this performance.

Lower revenues from citrus juices, sugar and petroleum outweighed increased earnings from other domestic exports, and domestic export revenue consequently fell by 6.9% to \$426.5mn. Gross imports (including electricity) rose by 7.0% to \$1139.5mn 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 Other Manufactures" and "Food, Beverages and Tobacco",

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

Table 2.1: Value of Domestic Exports

	\$mn	
	Jan-July 2012	Jan-July 2013
Sugar	107.4	96.4
Molasses	3.0	5.5
Bananas	57.3	62.8
Citrus	82.9	64.0
Petroleum	114.1	85.9
Papaya	9.1	13.6
Marine Exports	30.7	44.7
Other Domestic Exports	53.4	53.7
Total	457.9	426.5

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

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

	\$mn	
	Jan-July 2012	Jan-July 2013
Food, Beverages and Tobacco	136.0	144.2
Fuels, Lubricants and Crude Materials	241.3	250.5
of which Electricity	39.6	65.5
Oils, Fats and Chemicals	98.2	108.0
Manufactured Goods and Other Manufactures	179.5	194.8
Machinery, Transport and Equipment	166.6	196.1
Other goods	4.3	3.9
Export Processing Zones	38.4	45.8
Commercial Free Zone	200.5	196.2
Total	1064.9	1139.5

Source: SIB

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

which rose by \$29.5mn, \$15.4mn and \$8.2mn, respectively. Conversely, purchases of goods for the Commercial Free Zone (CFZ) fell by \$4.4mn.

Sugarcane and Sugar

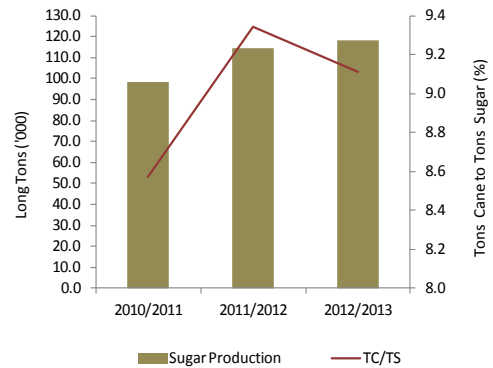
With the harvest ending on 25 May 2013, sugarcane deliveries for the crop year edged up by 0.7% to 1,078,019 long tons. For the second consecutive harvest, sugar production exceeded 100,000 long tons as improvements in cane purity and the cane/sugar ratio contributed to an output increase of 3.3% to 118,339 long tons. Molasses output also expanded by 11.5% to 34,508 long tons.

Annual sugar exports fell by 3.7% to 93,361 long tons with revenues falling by 10.2% to \$96.4mn due to a 6.7% 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.

Citrus

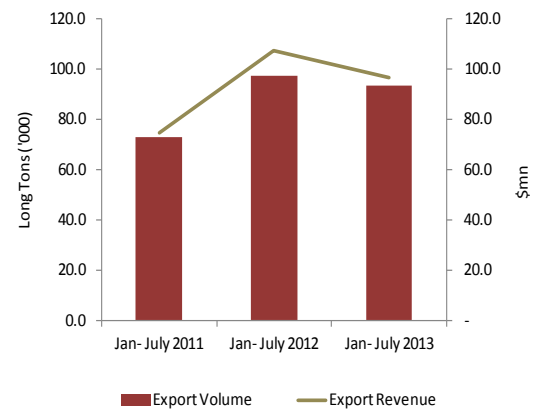
The effects of citrus greening and unfavorable weather that caused premature fruit drop persisted over the second quarter, causing a 29.3% decline in citrus deliveries for the 2012/2013 crop year, which ended on 13 June. Orange deliveries decreased by 30.2% to 4.1mn boxes, while the grapefruit harvest 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 outturn per box remained relatively stable. The outturn of

Chart 2.2: Sugar Production



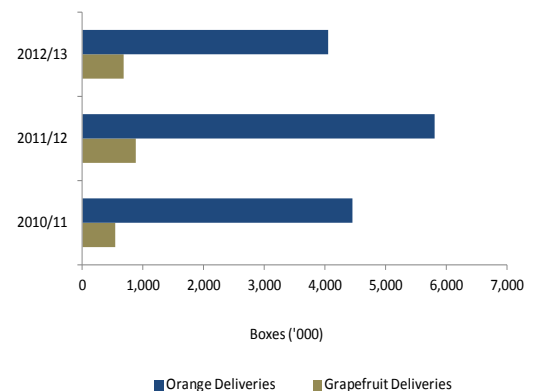
Source: BSI

Chart 2.3: Sugar Exports



Source: BSI

Chart 2.4: Citrus Deliveries



Sources: CGA and CPBL

orange juices decreased sharply by 29.7% to 25.5mn ps, which was 90.2% of the total juice output. Grapefruit juice outturn also contracted by 21.8% to 2.8mn ps, which represented 9.8% of the total. Production of citrus oils and pulp declined to 1.6mn and 2.3mn pounds, respectively.

Over the year-to-date, the export volume of citrus juices declined by 4.8% to 22.7mn ps, reflecting a 37.1% decline in grapefruit concentrate to 2.0mn ps, while the volume of orange concentrate remained steady at 20.7mn ps. The 22.9% reduction in revenues to \$64.0mn was steeper than anticipated, as an 8.6% 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.

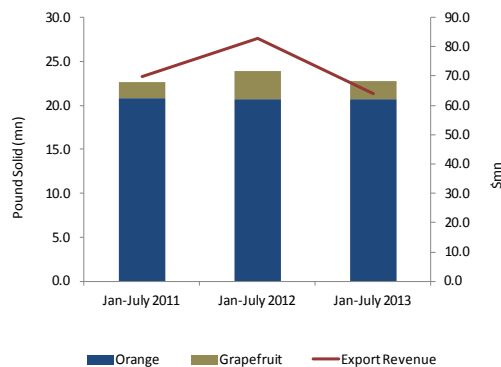
Banana

Following a bumper crop in 2012, banana output returned to its customary level with production falling by 3.9% to 58,051 metric tons. However, the average export price rose by 14.1%, and this boosted revenues by 9.6% to \$62.8mn. The Banana Growers Association (BGA) and Fyffes renegotiated the extension of their exclusive marketing contract in late 2012 for another five years that commenced on 1 January 2013.

Petroleum

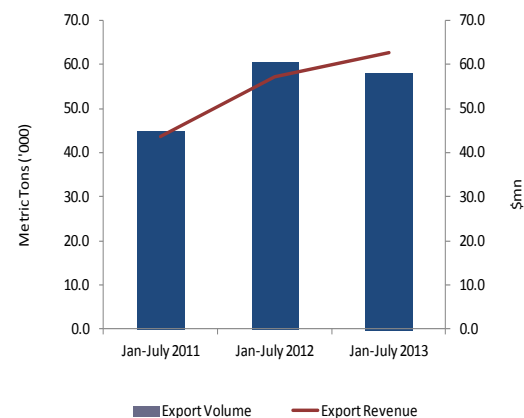
Petroleum output continued on a downward trajectory and fell by 23.2% to 483,242 barrels, when compared to the same period of 2012. Production from the Spanish Lookout and Never Delay fields decreased by 19.4% and 89.8%, respectively. The year-to-date export volume

Chart 2.5: Citrus Juice Export Volume and Revenue



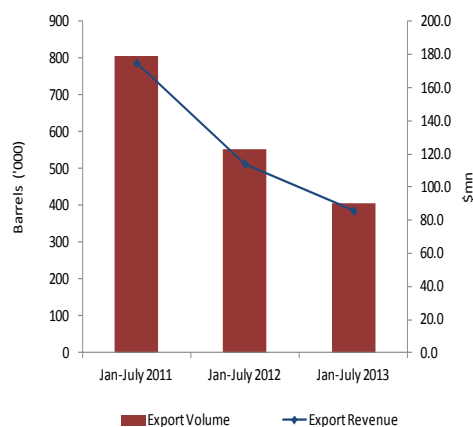
Source: CPBL

Chart 2.6: Banana Exports



Source: BGA

Chart 2.7: Petroleum Exports



Source: Geology and Petroleum Department

consequently decreased by 26.9% to 404,746 barrels, and export revenue fell by 24.8% to \$85.9mn. Geopolitical tensions in the Middle East and North Africa contributed to an uptick in crude oil prices, which averaged US\$106.06 per barrel and was US\$16.06 over the threshold price at which the petroleum surcharge becomes applicable.

Marine Exports

Marine export volume grew by 48.9% to 8.9mn 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 45.8% to \$44.7mn. Shrimp exports benefitted significantly from elevated prices and volume increases, while fish revenue increased from \$0.2mn to \$0.5mn, driven solely by the 68.9% increase in export volume. In contrast, lobster and conch export earnings fell by 27.9% to \$7.1mn and 14.1% to \$4.5mn, respectively.

Other Domestic Exports

The strong growth in sales of papaya (48.4%), red kidney beans (45.8%) and pepper sauce (25.9%) eclipsed falling revenues from fresh orange and orange oil and were the primary contributors to the 7.6% expansion (to \$67.3mn) in revenues from other miscellaneous exports. Papaya and beans 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 98.4% and 70.4%, respectively, due to reductions in export volume and price.

Chart 2.8: Marine Export Volume

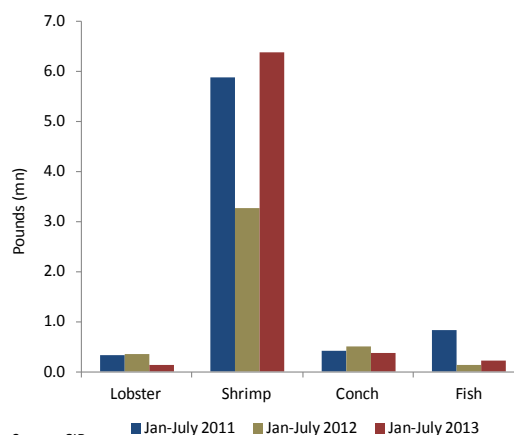
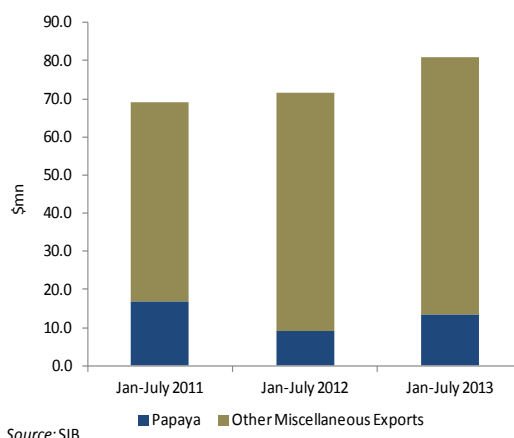


Chart 2.9: Revenue of Papaya and Other Miscellaneous Exports



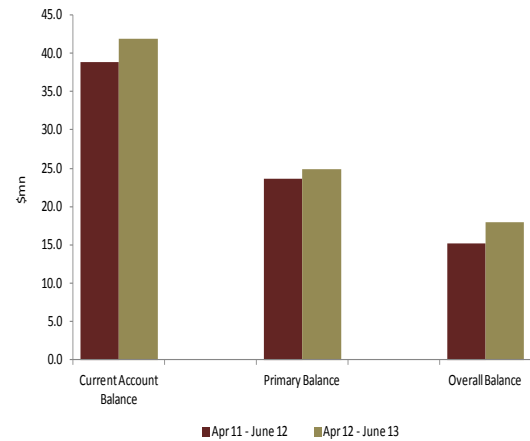
Central Government Operations

For January to June, Central Government's total revenue and grants were 1.5% lower than the comparable period of 2012 due to lower collections from import duties, the petroleum industry, non-tax receipts and grants. Concurrently, expenditure shrank by 4.9% with current and capital spending down by \$18.7mn and \$3.9mn, respectively. The former was mainly due to the capitalisation of the interest due on the superbond in February. With expenditure falling at a faster pace than revenues, the fiscal outturn improved as the overall balance swung from a deficit of \$10.8mn to a surplus of \$5.3mn and the current surplus grew by 61.4% to \$74.1mn. On the other hand, the primary surplus fell from \$40.4mn to \$20.8mn.

The April to June period represents the first quarter of the government's 2013/2014 fiscal year, and during this period, primary and overall surpluses amounted to 0.8% and 0.6% of GDP, respectively. The overall surplus and external borrowings facilitated a reduction in domestic financing that reflected a built up in government deposits at the Central Bank.

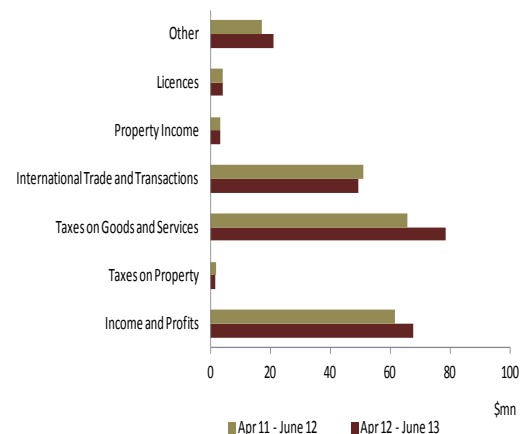
Total revenue and grants grew by 14.8% reflecting increases in current and capital revenues as well as grants. Tax revenues rose by 9.3% (\$16.7mn) to \$197.1mn and accounted for 82.8% of total collections. This mainly reflected increased income from GST, personal income tax (PAYE) and business tax, with minor offsetting declines of \$0.4mn and \$1.6mn in property tax and import duties, respectively. The increase in PAYE was as a result of better monitoring and reporting, while the buoyancy of General Sales Tax (GST) and the associated fall in revenues from import duties reflected the July 2012 shift to a GST on fuel imports instead of a fixed import duty. The 16.3% (\$4.0mn) increase in non-

Chart 3.1: Central Government Operations



Sources: MOF and CBB estimates

Chart 3.2: Public Government Current Revenue



Sources: MOF and CBB estimates

tax collections was largely explained by oil dividend payments that were made in June. Current revenues were also boosted by a \$10.0mn grant from Republic of China/Taiwan (ROC/Taiwan).

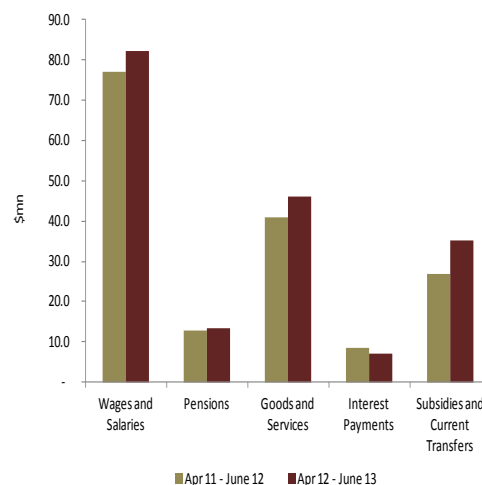
At \$220.2mn, total expenditure was 14.5% higher than the previous year due to increases in both current and capital outlays. Current spending rose by 10.6% with increases across all categories except interest payments. Outlays on wages and salaries, which comprised 44.8% of current spending, rose by \$5.3mn due to the payment of annual increments. Goods and services were \$5.0mn higher due to increases in fuel related costs and contract payments, while grants to educational institutions as well as Karl Heusner Memorial Hospital (KMH), Belize Agriculture Health Authority (BAHA) and Beltraide pumped up current transfers.

Capital expenditure totalled \$36.5mn, and accounted for 23.4% of the budgeted amount and 16.6% of total spending. The increase in capital expenditure was mainly linked to the locally funded component as externally funded projects fell by 53.7% when compared to the first fiscal quarter of 2012. Some \$18.0mn of total capital spending was allocated for projects relating to youth, sports, culture, education, health, environment and social protection. Another \$10.0mn was spent on public works for the completion of the Southern Highway, maintenance of streets/drains and the poverty alleviation project. An additional \$6.5mn went to the economic sectors with spending concentrated in land development and management projects. The balance was allocated for miscellaneous outlays on furniture, office equipment and contributions to external institutions.

Central Government Domestic Debt

In the first seven months of the year, Central

Chart 3.3: Central Government Current Expenditure



Source: MOF

Table 3.1: Central Government Capital Expenditure

	\$mn	
	Apr 12 - June 12	Apr 13 - June 13
Public Works	11.46	9.97
Environmental Protection	2.83	13.2
Natural Resources	3.35	5.44
Housing	0.04	0.24
Health	0.21	0.41
Education	0.32	0.4
Security and Defense	0.38	0.46
Agriculture and Fisheries	0.16	0.73
Other	6.39	4.78
Net lending	0.86	0.78
Total	26.22	36.52

Source: MOF

Government's domestic debt rose by 1.5% to \$395.6mn, as an \$8.4mn rise in overdraft financing from the Central Bank eclipsed amortization payments of \$2.8mn. 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, while the increase in the overdraft facility was mainly attributable to the customary external debt payments made in July.

The Central Bank of Belize Act, Chapter 262 of the laws of Belize, Revised Edition 2000-2003, Amendment 6 of 2010, mandates that the government's overdraft balance at the Central Bank should not exceed 8.5% of recurrent revenues collected in the previous year. While it rose by 15.0%, the overdraft account balance remained under the legislated ceiling and stood at 7.9% of the previous fiscal year's recurrent revenue. This accounted for the increase in the Central Bank's share of domestic debt from 39.5% in December 2012 to 41.0% at the end of July. Correspondingly, the commercial banks' share fell from 45.9% to 44.3%.

Of the \$9.1mn paid in interest, the Central Bank received \$7.1mn, which included \$2.9mn for credit provided through the overdraft and \$4.2mn for Treasury notes. The commercial banks received \$1.7mn as earnings on their Treasury bills and loans, while other smaller payments went to BSSB and Guardian Life.

Public Sector External Debt

The public sector external debt increased by 2.5% to \$2,088mn (64.8% of GDP), as disbursements of \$223.2mn outweighed amortization payments of \$163.0mn and downward valuation adjustments of

Chart 3.4: Central Government Domestic Debt

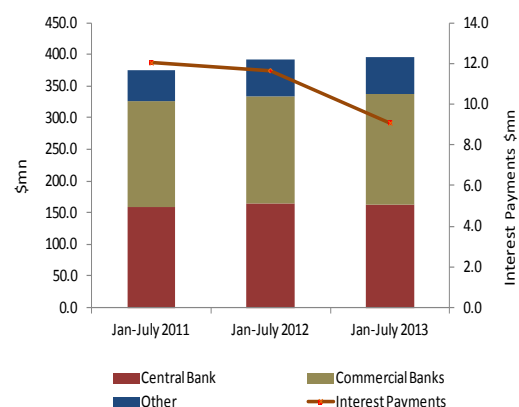
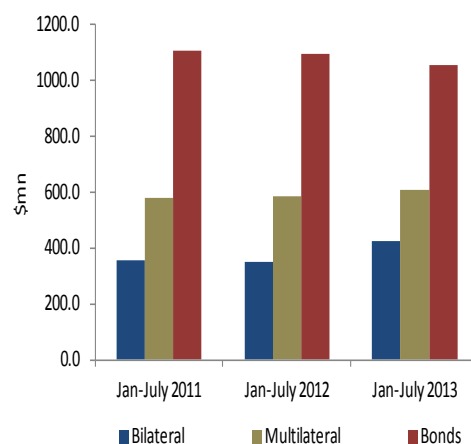


Chart 3.5: Public Sector External Debt

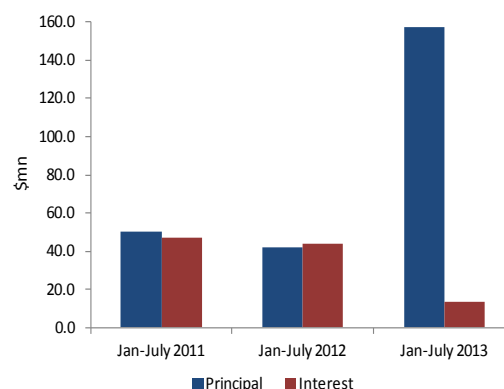


\$0.8mn. Except for a small amount to Belize Water Services Limited for water and service expansion projects, all disbursements went to Central Government and included \$76.5mn in capitalized interest that was included in the bond that was restructured in March. Of the remainder, \$101.0mn and \$40.5mn came from bilateral and multilateral sources, respectively. Bilateral sources included \$98.5mn from Venezuela for budget support under the VPCA and \$2.5mn from the ROC/Taiwan for the construction of the Marion Jones Sporting Complex. Multilateral disbursements funded projects such as the Santa Elena/San Ignacio Bypass, municipal development, Sustainable Tourism and the Social Investment Fund.

Excluding the haircut of \$107.9mn on the restructured bond, principal repayments by Central Government amounted to \$49.6mn. Of this, \$17.7mn went to bilateral lenders and \$21.6mn 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 \$3.6mn to the International Monetary Fund (IMF) for the Emergency Natural Disaster Assistance (ENDA) facility.

Interest payments amounted to \$13.6mn, which was \$30.1mn lower than the amount paid during the comparable period of 2012, as the interest accrued up to 19 March 2013 on the 2029 bond was capitalised as per the agreed terms of the debt exchange. Central Government paid \$12.6mn that went to multilateral creditors such as the CDB (\$4.5mn) and the International Development Bank (IDB, \$1.9mn) and to bilateral lenders such as ROC/Taiwan (\$4.0mn) and the Government of Kuwait (\$1.0mn). The financial and non-financial public sectors paid the CDB \$0.8mn in combined interest.

Chart 3.6: External Debt Service



Statistical Appendix

Table A.1: Factors Responsible for Money Supply Movements

\$mn

	Position as at July-13	Changes During		
		June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
Net Foreign Assets	1,071.1	22.8	122.8	135.0
Central Bank	739.0	24.0	146.6	64.2
Commercial Bank	332.1	-1.2	-23.8	70.8
Net Domestic Credit	1,866.9	-29.9	-106.2	7.3
Central Government (Net)	60.4	-24.0	-110.3	-17.8
Other Public Sector	12.3	-0.3	1.0	3.3
Private Sector	1,794.2	-5.6	3.1	21.8
Central Bank Foreign Liabilities (Long-term)	59.5	0.4	-4.5	-3.0
Other Items (Net)	396.5	-14.9	-17.4	12.9
Money Supply M2	2,482.0	7.4	38.5	132.4

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

\$mn

	Position as at July-13	Changes During		
		June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
Net Foreign Assets of the Banking System	1,071.1	22.8	122.8	135.0
Net Foreign Assets of the Central Bank	739.0	24.0	146.6	64.2
Central Bank Foreign Assets	741.7	25.4	147.1	64.3
Central Bank Foreign Liabilities (Demand)	2.7	1.4	0.5	0.1
Net Foreign Assets of Commercial Banks	332.1	-1.2	-23.8	70.8
Commercial Banks' Foreign Assets	338.1	-3.2	-24.9	63.2
Commercial Banks' Foreign Liabilities (Short-Term)	6.0	-2.0	-1.1	-7.6

Table A.3: Net Domestic Credit

		\$mn		
		Changes During		
	Position as at July-13	June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
Total Credit to Central Government	337.6	19.0	4.1	6.0
From Central Bank	162.2	19.0	8.0	1.5
Loans and Advances	64.8	19.0	8.4	9.2
Government Securities ⁽¹⁾	97.4	0.0	-0.4	-7.7
From Commercial Banks	175.4	0.0	-3.9	4.5
Loans and Advances	4.7	-0.1	-0.7	1.1
Government Securities	170.7	0.1	-3.2	3.4
(of which) Treasury bills ⁽²⁾	170.7	0.1	-2.8	3.4
Treasury notes	0.0	0.0	0.0	0.0
Other	0.0	0.0	-0.4	0.0
Less Central Government Deposits	277.2	43.0	114.4	23.8
With Central Bank	234.5	41.8	111.0	20.6
With Commercial Banks	42.7	1.2	3.4	3.2
Net Credit to Central Government	60.4	-24.0	-110.3	-17.8
Credit to Other Public Sector	12.3	-0.3	1.0	3.3
From Central Bank	0.0	0.0	0.0	0.0
From Commercial Banks	12.3	-0.3	1.0	3.3
(of which) Local Government	0.8	-0.1	-0.5	-0.3
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	10.7	-0.2	1.5	3.8
Other Statutory Bodies	0.8	0.0	0.0	-0.8
Securities	0.0	0.0	0.0	0.6
Plus Credit to the Private Sector	1,794.2	-5.6	3.1	21.8
Loans and Advances	1,792.7	-5.6	2.6	21.8
Securities	1.5	0.0	0.5	0.0
Net Domestic Credit of the Banking System⁽³⁾	1,866.9	-29.9	-106.2	7.3

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

⁽²⁾ Treasury bill holdings reported by commercial banks reflect of 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 July-13	Changes During		
		June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
PRIMARY SECTOR	178.9	-2.9	-3.2	-9.4
Agriculture	131.4	5.9	6.7	-10.0
Sugar	13.0	4.0	-0.5	-3.4
Citrus	22.7	4.6	6.1	-2.1
Bananas	65.4	-2.8	-4.1	-4.0
Other	30.3	0.1	5.2	-0.5
Marine Products	25.1	-9.6	-10.3	0.6
Forestry	1.7	-0.2	0.5	0.1
Mining and Exploration	20.7	1.0	-0.1	-0.1
SECONDARY SECTOR	556.0	2.4	10.5	29.6
Manufacturing	25.1	-0.8	-7.4	-3.8
Building and Construction	497.0	4.1	19.0	31.0
Utilities	33.9	-0.9	-1.1	2.4
TERTIARY SECTOR	647.1	-5.2	-2.1	4.1
Transport	43.0	-0.8	-6.9	-2.1
Tourism	95.5	1.7	-0.7	-3.2
Distribution	185.8	-5.8	-16.5	-4.6
Other ¹	322.8	-0.3	22.0	14.0
Personal Loans	423.5	-0.3	-2.3	1.4
TOTAL	1805.5	-6.0	2.9	25.7

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 July-13	Changes During		
		June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
Holdings of Approved Liquid Assets	896.8	13.2	81.2	85.7
Notes and Coins	65.1	2.3	-3.8	3.0
Balances with Central Bank	383.9	14.4	45.3	36.0
Money at Call and Foreign Balances (due 90 days)	262.0	-1.9	42.0	55.1
Treasury bills maturing in not more than 90 days ⁽¹⁾	170.5	0.1	-2.7	-3.6
Other Approved Assets	15.4	-1.6	0.4	-4.8
of which: Treasury notes	0.0	0.0	0.0	-2.5
Required Liquid Assets	529.5	-1.4	23.8	27.6
Excess/(Deficiency) Liquid Assets	367.3	14.7	57.4	58.1
Daily Average Holdings of Cash Reserves	382.8	14.3	43.4	35.7
Required Cash Reserves	195.7	-0.5	8.8	10.2
Excess/(Deficiency) Cash Reserves	187.1	14.8	34.6	25.5
Actual Securities Balances ⁽²⁾	171.0	0.0	-2.9	3.5
Excess/(Deficiency) Securities	171.0	0.0	-2.9	3.5

⁽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 July-13	Changes During		
		June-13 to July-13	Dec-12 to July-13	Dec-11 to July-12
Weighted Lending Rates				
Personal Loans	12.58	-0.07	-0.37	-0.78
Commercial Loans	11.98	0.00	-0.17	-0.50
Residential Construction	10.09	-0.03	-0.41	-1.01
Other	9.64	-0.10	-0.69	-1.20
Weighted Average	11.67	-0.04	-0.32	-0.70
Weighted Deposit Rates				
Demand	0.38	0.00	-0.05	0.01
Savings/Cheque	2.55	0.01	0.10	-0.03
Savings	2.66	0.03	-0.22	-0.08
Time	3.54	-0.02	-0.41	-1.12
Weighted Average	2.26	-0.04	-0.29	-0.78
Weighted Average Spread	9.41	0.00	-0.03	0.08

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 July-13
Weighted Lending Rates				
Personal Loans	15.57	11.84	10.12	10.11
Commercial Loans	14.20	12.25	10.81	10.87
Residential Construction	13.15	10.06	10.68	8.08
Other	13.77	10.83	9.00	8.02
Weighted Average	14.36	11.79	10.33	10.02
Weighted Deposit Rates				
Demand	0.00	0.00	0.00	0.00
Savings/Cheque	4.87	1.42	1.71	1.43
Savings	4.65	2.51	0.92	1.45
Time	8.06	3.99	3.48	3.18
Weighted Average	8.02	3.83	3.10	2.67
Weighted Average Spread	6.34	7.96	7.23	7.35

Table A.8: Tourist Arrivals

	Jan-July 2012	Jan-July 2013
Air	140,519	148,575
Land	21,015	25,611
Sea	<u>5,066</u>	<u>5,791</u>
Stay-over Visitors	166,600	179,977
Cruise Ship Disembarkations	363,194	376,191

Sources: BTB and CBB

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

Major Commodity	Weights	Dec 2012	June 2013	July 2013	Monthly ⁽¹⁾ Change	Average ⁽²⁾ Change
Food and Non-Alcoholic Beverages	195	105.0	105.7	106.4	0.7	-0.2
Alcoholic Beverages and Tobacco	17	97.9	100.1	100.3	0.2	0.4
Clothing and Footwear	83	99.7	95.5	95.5	0.0	-1.5
Housing, Water, Electricity, Gas, and Other Fuels	265	101.2	100.9	100.9	-0.0	0.6
Furnishing, Household Equipment, and Routine Household Maintenance	69	97.9	99.8	99.8	-0.0	-0.2
Health	41	106.1	106.5	106.5	0.0	0.5
Transport	136	106.9	104.5	104.4	-0.1	0.3
Communication	33	93.9	97.5	97.5	0.0	0.2
Recreation and Culture	69	102.2	104.3	104.3	0.0	1.3
Education	32	97.8	100.6	100.6	0.0	0.3
Restaurants and Hotels	7	99.8	102.0	102.0	0.0	-0.1
Miscellaneous Goods and Services	52	100.7	99.1	99.1	-0.0	-2.1
All Items	1000	102.1	102.0	102.2	0.1	0.0

Source: SIB

⁽¹⁾ Percent change in CPI for July 2013 over June 2013.

⁽²⁾ Percent change in average CPI for January to July 2013 over CPI for December 2012.

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

	July 2012	July 2013	Dec-July 2011/2012	Dec-July 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

	July 2012		July 2013		Jan-July 2012		Jan-July 2013	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	15,408	14,043	13,210	14,006	96,994	107,358	93,361	96,374
E.U.	15,388	14,020	13,210	14,006	79,833	81,621	93,182	96,120
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	80	92	179	254
Molasses	0	0	10,003	2,151	17,722	3,047	25,770	5,541

Source: BSI

Table A.12: Citrus Deliveries and Production

	July 2012	July 2013	Oct-July 2011/2012	Oct-July 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

	July 2012		July 2013		Jan - July 2012		Jan - July 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	74	184	6,755.4	23,577	10,099.4	23,738
Grapefruit	0.0	0	0.0	0	0	0	0.0	0
Caribbean								
Orange	1,092.4	3,518	567.4	1,794	6,207.9	19,926	4,173.8	13,148
Grapefruit	72.7	259	66.2	222	465.1	1,625	423.8	1,461
Europe								
Orange	1,607.6	6,136	978.2	2,914	4,517.6	17,260	5,640.5	16,937
Grapefruit	95.2	341	119.5	483	1,385.0	5,181	1,461.0	5,903
Other								
Orange	58.2	193	304.2	821	3,226.1	10,748	786.5	2,110
Grapefruit	0.0	0	0.0	0	1,320.9	4,526	109.7	378
Sub-Total⁽¹⁾	2,926.1	10,446	2,109.5	6,418	23,878.1	82,842	22,694.7	63,674
Orange	2,758.1	9,847.1	1,923.9	5,712.4	20,707.0	71,511	20,700.1	55,932
Grapefruit	167.9	599.3	185.6	705.1	3,171.0	11,332	1,994.6	7,742
Not-From-Concentrate								
Sub-Total	0.0	0	0.0	0	11.4	67	50.7	284.3
Orange	0.0	0	0.0	0	6.6	35	42.6	232
Grapefruit	0.0	0	0.0	0	4.8	32	8.2	52
Total Citrus Juices	2,926.1	10,446	2,109.5	6,418	23,889.5	82,909	22,745.4	63,958
Pulp (pounds '000)								
Total⁽¹⁾	555.0	441	120.0	95	1,463.6	1,163	1,873.7	1,468
Orange	505.8	402	82.7	65	1,180.4	938	1,639.3	1,282
Grapefruit	49.2	39	37.3	30	283.2	225	234.5	186

Source: CPBL

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

Table A.14: Banana Exports

	July 2012	July 2013	Jan-July 2012	Jan-July 2013
Volume (metric tons)	8,751	7,718	60,426	58,051
Value (\$'000)	7,131	7,836	57,253	62,766

Source: BGA

Table A.15: Marine Exports

	Jan-July 2012		Jan-July 2013	
	Volume (‘000 pounds)	Value (\$'000)	Volume (‘000 pounds)	Value (\$'000)
Lobster	359	9,887	242	7,126
Shrimp⁽¹⁾	4,945	15,226	7,995	32,589
Conch	501	5,268	383	4,525
Other Fish	139	281	235	465
Total	5,944	30,661	8,854	44,706

Sources: SIB and Individual Shrimp Farms

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

Table A.16: Other Domestic Exports

	Ja	Jan-July 2013
Other Miscellaneous Exports (\$'000)	62,528	67,298
of which:		
Papaya		
Volume ('000 pounds)	25,366	37,024
Value (\$'000)	9,131	13,556

Source: SIB

Table A.17: Government Revenue and Expenditure

\$'000

	Approved Budget 2013/2014 ^P	Jan-12 to June-12	Jan-13 to June-13 ^P	Apr-12 to June-12	Apr-13 to June-13 ^P	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	872,469	451,132	444,590	207,383	238,127	27.3%
1). Current revenue	826,337	420,078	429,535	204,837	225,534	27.3%
Tax Revenue	727,011	354,606	383,685	180,354	197,062	27.1%
Income and Profits	233,782	124,037	131,776	61,592	67,716	29.0%
Taxes on Property	7,154	3,646	3,279	1,904	1,523	21.3%
Taxes on Goods and Services	282,609	126,760	155,737	65,906	78,451	27.8%
International Trade and Transactions	203,465	100,162	92,893	50,952	49,372	24.3%
Non-Tax Revenue	99,326	65,472	45,850	24,483	28,472	28.7%
Property Income	6,870	10,995	4,520	3,388	3,323	48.4%
Licences	15,818	8,462	6,395	4,020	4,070	25.7%
Other	76,638	46,015	34,936	17,075	21,079	27.5%
2). Capital Revenue	5,051	4,615	2,789	1,271	1,281	25.4%
3). Grants	41,082	26,440	12,266	1,275	11,312	27.5%
TOTAL EXPENDITURE (1+2)	934,106	461,932	439,293	192,238	220,207	23.6%
1). Current Expenditure	777,863	374,178	355,438	166,016	183,687	23.6%
Wages and Salaries	313,156	153,140	155,743	77,068	82,349	26.3%
Pensions	55,230	26,278	26,412	12,706	13,262	24.0%
Goods and Services	181,535	90,436	93,363	40,924	45,950	25.3%
Interest Payments on Public Debt	95,913	51,219	15,500	8,431	6,992	7.3%
Subsidies and Current Transfers	132,029	53,105	64,421	26,887	35,134	26.6%
2). Capital Expenditure	156,243	87,754	83,855	26,222	36,520	23.4%
Capital II (Local Sources)	67,243	32,945	51,575	12,319	29,704	44.2%
Capital III (Foreign Sources)	85,877	53,093	30,731	13,044	6,042	7.0%
Capital Transfer and Net Lending	3,123	1,716	1,549	859	775	24.8%
CURRENT BALANCE	48,474	45,900	74,097	38,821	41,848	86.3%
Primary Balance	34,276	40,419	20,797	23,577	24,912	72.7%
OVERALL BALANCE	(61,637)	(10,800)	5,297	15,145	17,920	-29.1%
Primary less Grants	(6,806)	13,980	8,530	22,302	13,600	-199.8%
Overall Balance less Grants	(102,718)	(37,239)	(6,969)	13,870	6,609	-6.4%
FINANCING	61,637	10,800	(5,297)	(15,145)	(17,920)	
Domestic Financing		(3,768)	(83,064)	(30,252)	(57,932)	
Central Bank		(10,632)	(78,932)	(35,896)	(60,828)	
Net Borrowing		7,893	(10,937)	11,012	(10,710)	
Change in Deposits		(18,525)	(67,995)	(46,908)	(50,118)	
Commercial Banks		2,290	(5,755)	4,684	2,128	
Net Borrowing		2,242	(3,555)	2,883	770	
Change in Deposits		48	(2,200)	1,801	1,358	
Other Domestic Financing		4,573	1,623	960	768	
Financing Abroad		12,747	74,133	17,961	41,044	
Disbursements		39,880	184,443	33,217	53,372	
Amortization		(27,133)	(136,654)	(15,255)	(12,328)	
Net Reduction		0	26,344	0	29,065	
Other		1,821	3,634	(2,854)	(1,031)	

Sources: CBB and MOF

^P - Provisional

Table A.18: Central Government's Domestic Debt 2013⁽¹⁾

\$'000

	Disbursed Outstanding Debt 31/12/12 ^R	TRANSACTIONS THROUGH JULY 2013				Disbursed Outstanding Debt 31/07/13 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	56,350	0	0	2,890	8,438	64,788
Central Bank	56,350			2,890	8,438	64,788
Commercial Banks	0			0	0	0
Treasury Bills	175,000	0	0	1,432	0	175,000
Central Bank	0	0	0	0	0	0
Commercial Banks	173,480	0	0	1,405	(2,806)	170,674
Other	1,520	0	0	27	2,806	4,326
Treasury Notes	136,500	0	0	4,293	0	136,500
Central Bank	87,797	0	0	4,233	(390)	87,407
Commercial Banks	0	0	0	0	0	0
Other	48,703	0	0	60	390	49,093
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	161	57	0	1,003
Heritage Bank Limited	4,230	0	541	236	0	3,690
Belize Social Security Board⁽²⁾	2,572	0	741	131	0	1,831
Fort Street Tourism Village	285	0	222	0	0	63
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	2,784	9,085	8,438	395,565

^R - Revised^P - Provisional

⁽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.

Table A.19: Public Sector External Debt 2013

	Disbursed Outstanding Debt 31/12/12 ^R	TRANSACTIONS THROUGH JULY 2013			Parity Change	Disbursed Outstanding Debt 31/07/13 ^P
		Disbursements	Principal Payments	Interest & Other Payments		
CENTRAL GOVERNMENT	1,926,087	223,106	147,181	13,159	218	1,988,006
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	1,139	247	0	133,396
Kuwait Fund for Arab Economic Development	18,744	0	1,001	963	-234	17,509
Republic of China	280,331	2,500	14,293	4,032	0	268,539
Caribbean Development Bank	199,240	10,945	10,540	4,885	0	199,645
Caricom Development Fund	2,140	0	0	60	0	2,140
European Economic Community	13,154	0	390	45	26	12,791
Inter-American Development Bank	234,198	6,764	7,598	1,941	0	233,364
International Fund for Agriculture Development	1,642	1,161	274	8	426	2,955
International Bank for Reconstruction and Development	21,459	4,863	1,721	172	-0	24,601
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⁾	1,088,080	81,591	107,935	0	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	37,361	48	5,787	727	-44	31,577
Kuwait Fund for Arab Economic Development	2,843	0	347	55	-40	2,457
The Bank of Nova Scotia ⁽¹⁾	6,380	0	1,595	41	0	4,785
European Investment Bank ⁽¹⁾	1,475	0	724	29	-5	747
Caribbean Development Bank ^{(1) (2)}	26,662	48	3,121	602	-0	23,589
FINANCIAL PUBLIC SECTOR	73,890	0	4,503	243	-978	68,409
Caribbean Development Bank	9,310	0	822	171	-0	8,488
European Economic Community	347	0	19	2	1	329
Paine Webber Real Estate Securities Inc.	200	0	100	1	0	100
International Monetary Fund ⁽³⁾	64,033	0	3,563	70	-979	59,492
GRAND TOTAL	2,037,337	223,154	157,471	14,138	-805	2,087,993

^R - Revised

^P - Provisional

⁽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.