



CENTRAL BANK OF BELIZE



MONTHLY ECONOMIC REPORT

MAY 2011

Monetary & Financial Sector Developments

During the first five months of the year, the money supply grew by 3.5% driven by a 17.4% increase in net foreign assets while net domestic credit fell by 1.4%.

The \$109.4mn expansion in net foreign assets reflected increases in the net holdings of commercial banks and the Central Bank of \$86.8mn and \$22.6mn, respectively. Heightened inflows from CFZ sales and domestic exports facilitated a \$76.4mn increase in commercial banks' foreign assets and \$10.4mn reduction in their short term foreign liabilities. Meanwhile, the Central Bank recorded inflows of \$122.0mn, which were dominated by loan disbursements of \$41.0mn, tax and royalty payments from oil production (\$38.3mn) and sugar export receipts (\$20.1mn). The Bank's outflows summed to \$98.7mn with foreign exchange sales to Central Government totalling \$80.1mn. External debt servicing accounted for 83.7% of the latter. Over the five month review period the gross international reserves rose by \$7.6mn to \$443.6mn, the equivalent of 4.3 months of merchandise imports.

Net domestic credit of the banking system fell by \$27.1mn, as a \$34.0mn contraction in net financing for Central Government eclipsed a \$7.1mn increase in loans to the private sector. Despite sizeable external debt payments in the first quarter, Central Government's net borrowing fell, facilitated by tax receipts from oil production, loan disbursements (IADB policy-based loan and ROC) and proceeds from the sale of BTL shares that significantly boosted Central Government's deposits.

Loans to the private sector were led by disbursements to the tertiary and primary sectors of \$6.4mn and \$5.7mn, respectively, while on the other hand, personal loans contracted by \$6.2mn. Even with net loan repayments of \$9.8mn from tourism operators, there was an upswing in credit to the tertiary sector due to lending for real estate, entertainment, distribution and professional services. Credit growth to the primary sector was channelled into the production of marine, banana, grains and other commodities. Credit to the secondary sector inched up \$0.7mn as disbursements to the utility and construction sub-sectors offset repayments by manufacturers.

Chart 1.1: Net Foreign Assets & Net Domestic Credit

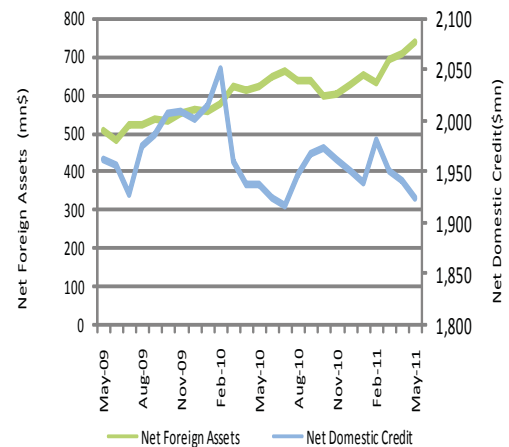


Chart 1.2: Gross International Reserves

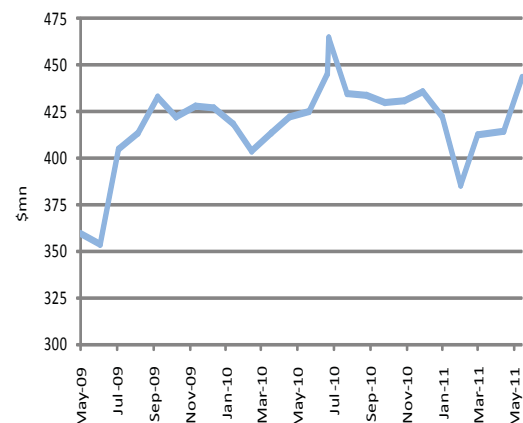
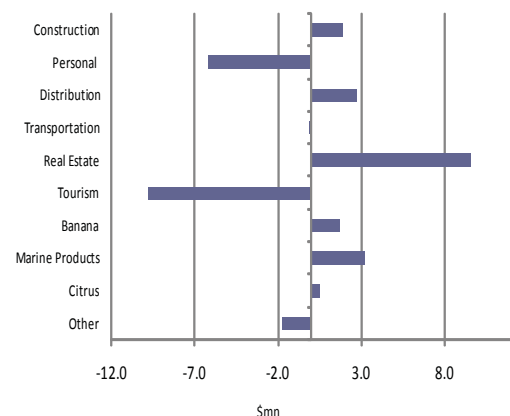


Chart 1.3: Changes in Commercial Banks' Loans & Advances December 2010 - May 2011



Loan and advances by the five largest credit unions were up by \$3.1mn with disbursements for home improvement, professional services, land acquisition and entertainment outweighing repayments from persons engaged in commercial real estate and agricultural production.

Weak credit demand coupled with higher than average foreign asset growth pushed excess statutory liquidity up by \$43.9mn, some 43.8% above the required level and 71.8% higher than the May 2010 position. Excess cash reserves fell by \$10.9mn to \$49.6mn, which was still 28.8% above the required level. Given their increased voluntary participation in the government securities market, the Central Bank decided to lower the securities requirement of the commercial banks from 5.0% to 3.0% of their average deposit liabilities on April 1. This followed the Bank's decision to reduce its lender of last resort rate from 18.0% to 11.0%, effective February 1, as part of its continued efforts to bring interest rates in line with current market and economic conditions.

Notwithstanding the reduction in the aggregate securities requirements from \$97.7mn to \$58.8mn, commercial banks' year-to-date holdings dipped by a mere \$5.0mn, which was symptomatic of the sluggish private sector credit demand and limited investment opportunities. At the end of May, commercial banks' holdings amounted to \$148.0mn, which was more than double the required level.

Against the backdrop of increasing excess liquidity and sluggish credit demand, interest rates declined but the spread accruing to the banks widened to 8.53% as the weighted average deposit rate fell faster than the weighted average lending rate. The weighted average lending rate fell by 25 basis points due to significant rate declines in construction and personal loans of 94 and 60 basis points, respectively. Similarly, decreases in savings/checking and time deposit rates of 64 and 69 basis points brought the weighted average deposit rate down by 61 basis points to 5.00%.

On July 5, Treasury bill issue 9/2011, valued at \$45.4mn, was rolled over. This special 29-day issue was implemented to smooth out the distribution of Treasury bills. The average yield fell from

Chart 1.4: Central Government's Net Domestic Credit

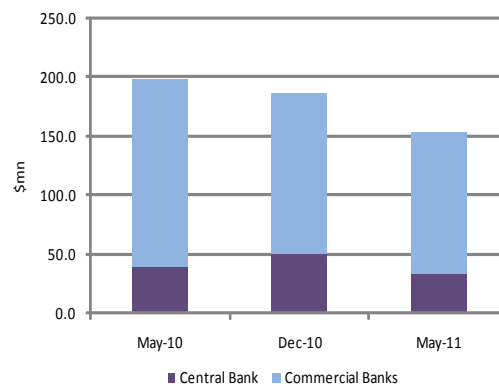


Chart 1.5: Changes in Credit Unions' Loans & Advances December 2010 - May 2011

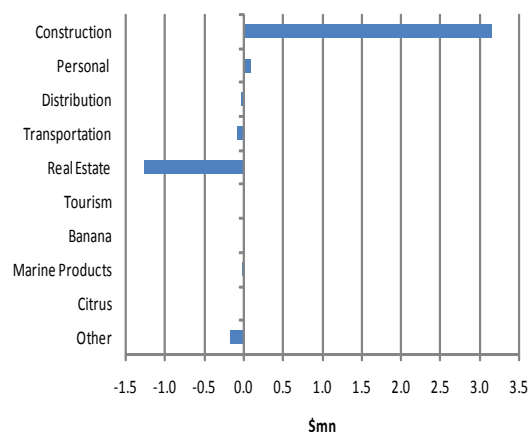
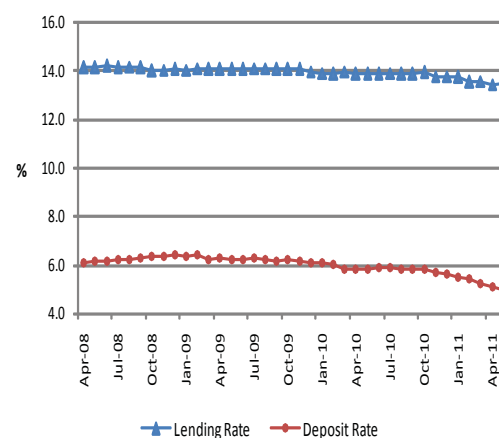


Chart 1.6: Commercial Banks' Weighted Average Lending and Deposit Interest Rates



the 2.41938% of issue 8/2011 to 2.36112%. As of July 5, 2011, commercial banks' holdings of Treasury bills stood at \$96.4mn in excess of the new securities requirement, which came into effect on April 1, 2011.

Real Sector Developments

Production in the first five months of the year was mixed as increased output of sugar and citrus juices coincided with a fall in citrus fruits, sugarcane, molasses, banana and petroleum production. Higher proceeds from sugar, molasses, citrus and petroleum outweighed the minor decline in banana receipts and boosted revenues from these major export commodities by 45.5%.

Stay-over tourist arrivals grew by 3.4% as visitors through the sea ports and the international airport increased by 24.5% and 4.4%, respectively, while tourist arrivals through the land borders fell by 5.1%. Cruise ship disembarkations for the month of May increased by 16.1% but could not compensate for the steep fall in cruise arrivals at the start of the year which resulted from the controversy between local tender operators and the Carnival Cruise Line. Disembarkations, as a result, fell by 15.1% to 304,068 for the first five months of the year.

Sugar

Sugarcane deliveries for the crop year to date increased by 4.0% to 756,707 long tons as factory intake was steady prior to the three and a half week disruption in processing operations owing to the failure of two steam turbines in early February. Additionally, the farmer-implemented program to deliver quality sugarcane to the processor on a scheduled basis was successful and resulted in a 22.1% improvement in the cane/sugar ratio which fell to 8.33. Sugar production, therefore, grew by 34.5% to 89,762 long tons, while molasses production fell by 19.7% due to its inverse relationship with sugar output.

The increase in sugar supply boosted sugar exports, which

Chart 1.7: Treasury Bill Average Yield



Table 2.1 Production of Selected Domestic Exports

| | Jan-May 2010 | Jan-May 2011 |
|----------------------------------|-----------------|-----------------|
| Sugarcane Deliveries (long tons) | 704,997 | 691,370 |
| Sugar (Long tons) | 65,938 | 84,005 |
| Molasses (long tons) | 29,575 | 22,428 |
| Bananas (metric tons) | 32,483 | 31,695 |
| Citrus Deliveries (boxes) | 4,451,933 | 4,444,129 |
| Citrus Juices ('000 ps) | 23,160 | 27,945 |
| Petroleum (barrels) | 651,297 | 635,224 |

Sources: B.S.I., CPBL, Geology & Petroleum Department

Table 2.2: Selected Domestic Exports

| | Jan-May 2010 | Jan-May 2011 |
|--------------|-----------------|-----------------|
| Sugar | 34.0 | 59.7 |
| Molasses | 0.9 | 1.6 |
| Bananas | 32.7 | 31.6 |
| Citrus | 48.9 | 56.5 |
| Petroleum | 76.4 | 131.2 |
| Total | 192.8 | 280.6 |

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

expanded by 40.0% to 57,456 long tons, while revenues rose by 75.6% to \$59.7mn as the average price of sugar rose by 25.4% over 2010. The price hike resulted from exchange rate gains from the average Euro price negotiated on the futures market, increased sales of value added product and the sale of sugar to the US market where prices were approximately 56.5% higher than those in the EU. The EU with its Fair Trade premium (US\$60 per metric ton), however, remained the dominant market with 76.0% of the sales while the US accounted for 23.9%. Canada received the residual of 40 long tons. Molasses exports grew by 44.5% to a 12,818 long tons and netted \$1.6mn in revenues.

Citrus

The 2010/11 crop year came to a close on May 11th, a full six weeks earlier than the typical harvest, due to the fruit loss and damage caused by Hurricane Richard in October 2010. Citrus deliveries fell marginally by 0.9% to 5.0mn boxes with the 22.2% increase in orange deliveries (4.4mn boxes) edged out by the 61.2% decline in grapefruit (0.5mn boxes).

Notwithstanding the minor decline in deliveries, juice production rose by 15.2% to 30.5mn pound solids (ps) due to the 16.2% growth in the average yield of ps per box of fruit. Orange concentrate production expanded by 36.0% to 28.0mn ps, while that of grapefruit concentrate fell by 60.1% to 2.0mn ps. The plunge in grapefruit deliveries reduced the output of grapefruit NFC notably, causing the out-turn of NFC juices to plummet by 50.0% to 0.4mn ps. Pulp and oil production came in at 1.8mn and 1.6mn pounds, respectively.

Year to date juice export volume declined by 9.7% to 18.3mn ps when compared to the same period of 2010 due to shipping constraints that disrupted the export schedule. Revenues, on the other hand, grew by 15.6%, buttressed by improved international prices. Low beginning juice stocks and weather-induced production problems in Brazil strengthened orange concentrate prices in Belize's key markets. Consequently, orange concentrate revenues rose by 25.6% to \$52.6mn, as the 29.8% increase in average price compensated for the 3.2% decline in export volume. Similarly, grapefruit concentrate prices improved as a result of low beginning juice stocks and a smaller crop in

Chart 2.1: Tourist Arrivals

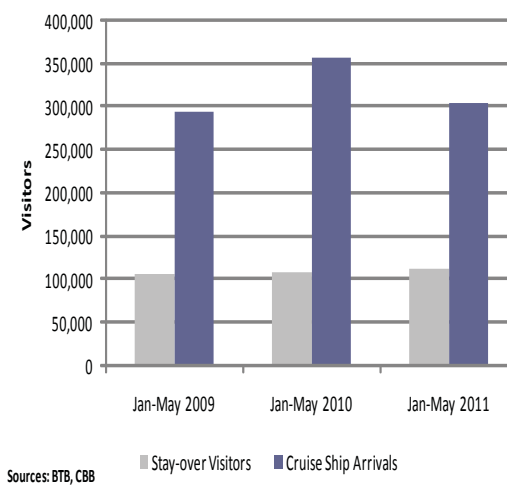


Chart 2.2: Sugar Production December to May

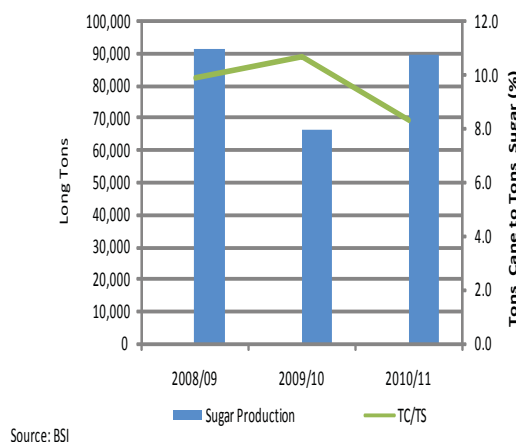
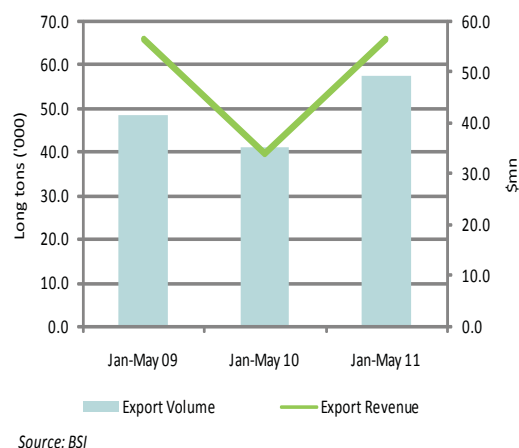


Chart 2.3: Sugar Exports



Florida. However, the price hike could not fully compensate for the sharp decline (51.9%) in the volume of grapefruit exports, so revenues fell by 45.0% to \$3.8mn.

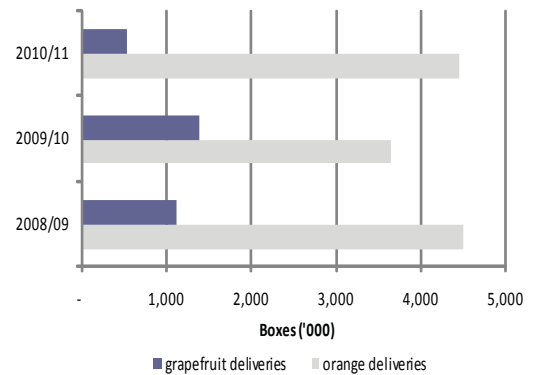
Banana

Banana production suffered as adverse weather in December slowed bunch development and reduced yields for the February/ March harvest cycle. Additional production problems ensued as a result of the extreme dry weather experienced in the country between March and May. As a consequence, banana output for the first five months of the year declined by 2.4%. Revenues declined by 3.2% to \$31.6mn with prices remaining relatively stable under the three year marketing contract signed with Fyffes.

Petroleum

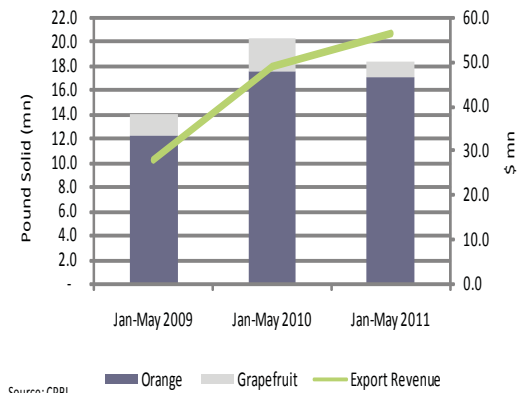
Petroleum output declined by 2.5% to 635,224 barrels for January through May as the 36,987 barrels extracted from Never Delay partially compensated for the 8.1% fall in production at the Spanish Lookout field. Export volume in May 2011 was 132.2% higher than the same month of 2010 as the late arrival of the petroleum barge in April resulted in three shipments for the month as compared to the customary two. Accordingly, petroleum exports rose by 2.9% to 603,976 barrels. Notwithstanding the availability of an adequate global supply of crude oil, WTI prices peaked at US\$109.50 per barrel in April and remained above US\$100.00 per barrel in response to speculative activities and fears of shortages sparked by the Libyan crisis and geopolitical tensions in North Africa and the Middle East. Consequently, export revenues rose sharply by 71.8% to \$131.2mn with the average price of oil skyrocketing by 66.9% to US\$108.62 per barrel, US\$18.62 above the threshold price at which the petroleum surcharge becomes applicable.

Chart 2.4: Citrus Deliveries October to May



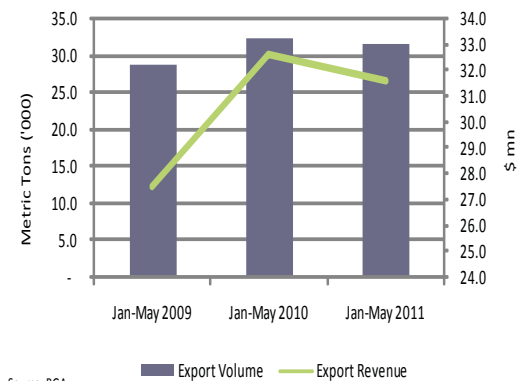
Sources: CGA & CPBL

Chart 2.5: Citrus Juice Exports



Source: CPBL

Chart 2.6: Banana Exports



Source: BGA

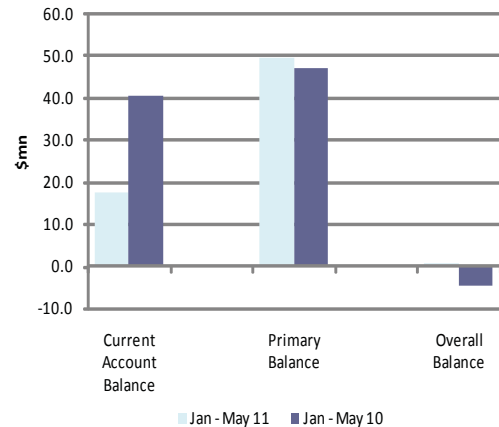
Central Government Operations

In the first two months of fiscal year 2011/2012, revenue and grants were \$16.2mn (11.3%) below that of the comparable period in FY2010/2011 and some 1.6% lower than budget expectations as the tax intake from the petroleum industry, the General Sales Tax (GST) and income from government departments declined. The amendment of the GST regulation in order to zero rate petroleum products led to a \$12.6mn drop in GST collections. Meanwhile, expenditure was slightly higher as the \$9.6mn increase in current expenditure outweighed a slow start in capital expenditure. The fiscal out-turn consequently yielded significantly reduced current, primary and overall surpluses of \$17.6mn, \$11.3mn and \$6.6mn, respectively, although an unexplained financing item of \$11.7mn could mean that revenues are actually higher than the amount being reported and that the surpluses are also being understated.

Fiscal operations in the five month period (January-May) resulted in primary and overall surpluses of \$49.5mn and \$0.7mn, respectively, a \$2.6mn increase in the case of the former and \$4.7mn decline in the case of the latter. Some \$9.7mn in unexplained financing is a possible indicator of revenues understatement. The Ministry of Finance reported that revenue and expenditure were down by 0.8% and 2.3%, respectively, with the fall in revenue being due mostly to lower tax receipts from petroleum operations and a 7.3% fall in non-tax revenues. The latter was attributed largely to the collection of \$2.6mn in fines from maritime cases and first time transfers from the Public Utilities Commission and the International Financial Services Commission in 2010 that were not repeated this year. Collections of personal income tax also fell by \$0.8mn, as the tax relief given to persons with annual earnings between \$26,000 and \$29,000 came into full effect, while business tax and GST fell by \$1.6mn and \$1.0mn, respectively.

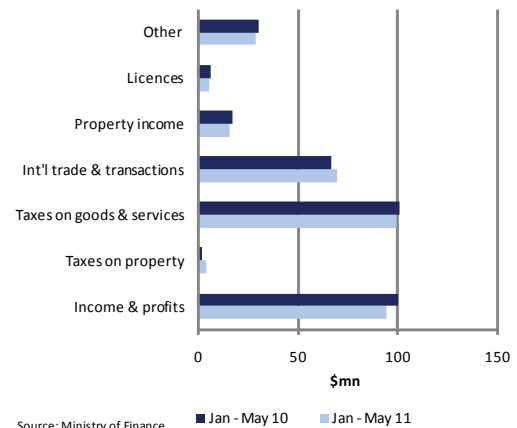
At \$340.0mn, expenditure was \$8.0mn lower than the previous year with current spending up by \$16.7mn and capital expenditure down by \$24.8mn due to the slow pace of Capital III project implementation. The increase in current outlays partly reflected the step up in the interest rate on the 'super bond' from 4.5% to

Chart 3.1: Central Government's Operations



Source: Ministry of Finance

Chart 3.2: Central Government's Current Revenue



Source: Ministry of Finance

Table 3.1: Capital Expenditure

| | \$mn | |
|--------------------------|---------------|---------------|
| | Jan - May '11 | Jan - May '10 |
| Public Works | 8.97 | 15.13 |
| Environmental Protection | 4.13 | 3.42 |
| Natural Resources | 4.57 | 3.05 |
| Housing | 1.98 | 5.60 |
| Health | 1.16 | 1.28 |
| Education | 1.64 | 0.78 |
| Security & Defense | 2.14 | 6.00 |
| Agriculture & Fisheries | 1.99 | 0.65 |
| Other | 7.87 | 14.22 |
| Total | 34.46 | 50.13 |

Source: Ministry of Finance

6.0%. Wages and salaries also rose due to the payment of annual increments and employment of new staff across ministries, while outlays on goods and services were \$4.3mn higher mainly due to the advanced payment for electricity.

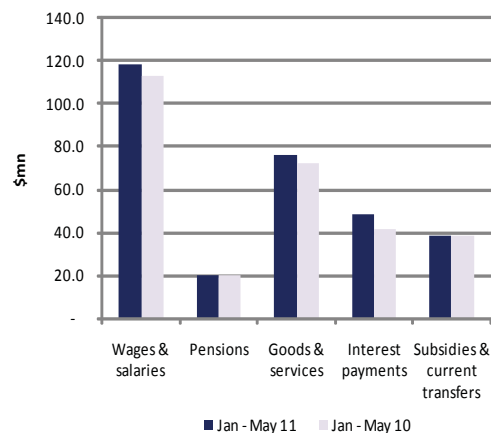
Capital expenditure totaled \$37.8mn, a decline of 28.0% with spending on locally funded projects and externally funded (Capital III) projects down by 15.4% and 54.5%, respectively, when compared with 2010. Some \$9.0mn went on infrastructure projects for maintenance of street/drains and the completion of the Southern Highway. Another \$4.6mn was spent on projects such as the solid waste management and land development/acquisition, while environmental protection projects were also allotted \$4.1mn. Expenditure on projects relating to youth, sports, culture, education, health, housing, security and social protection summed to \$12.0mn and the balance was allocated for miscellaneous outlays on furniture, office equipment and upgrade of office buildings.

Central Government's Domestic Debt

For January through May, Central Government's domestic debt rose by \$16.2mn to \$384.0mn as a \$17.5mn rise in overdraft financing from the Central Bank was partly offset by \$1.4mn in amortization payments to the Debt for Nature Swap, BSSB, Heritage Bank and Fort Street Tourism Village. The hike in the overdraft reflected higher transfers to the commercial banks in May for salaries and other payments that included \$4.0mn in advanced payments for electricity. The share of domestic debt held by the Central Bank increased to 45.4% as compared to 29.8% in 2010 due to an expansion in its holdings of Treasury notes, while the commercial banks' share correspondingly fell from 57.7% in 2010 to 41.7%. The overdraft balance stood at \$51.6mn, 6.6% of the previous fiscal year's current revenue.

Of the \$6.8mn paid in interest, the Central Bank received \$2.0mn on short-term credit provided by way of the overdraft and Treasury bills and \$2.4mn on longer term Treasury notes. Commercial banks received \$1.9mn, mostly on their holdings of Treasury bills, while BSSB, Guardian Life and Debt for Nature Swap received the remainder.

Chart 3.3: Central Government's Current Expenditure



Source: Ministry of Finance

Chart 3.4: Central Government's Domestic Debt

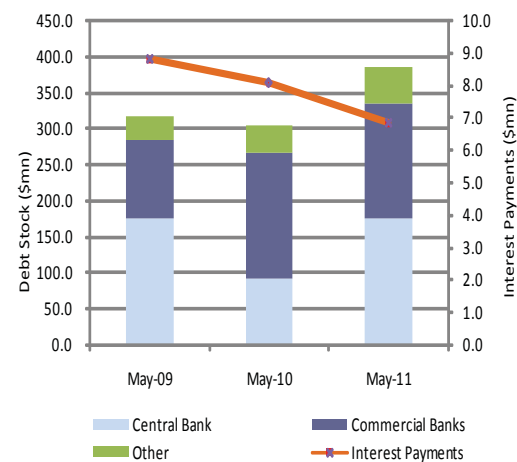
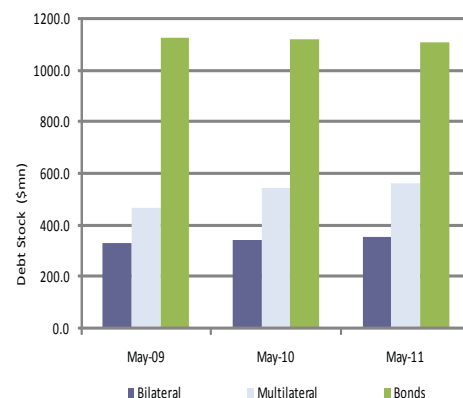


Chart 3.5: Public Sector External Debt

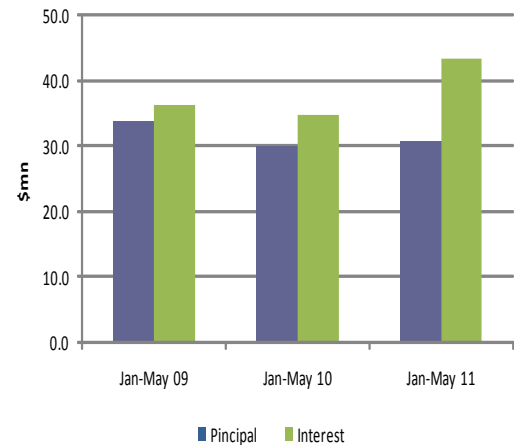


Public Sector External Debt

The public sector external debt went up by \$14.8mn to \$2,034.2mn as disbursements of \$40.8mn and upward valuation adjustments of \$4.7mn (due to the depreciation of the US Dollar against the SDR, Euro and Kuwait dinar) exceeded amortization payments of \$30.6mn. Disbursements included \$20.0mn from ROC/Taiwan as budget support, \$15.0mn from IDB for the second tranche of a policy based loan, \$3.3mn from CDB for the Kendall Bridge, SIF and water expansion and \$1.2mn from IBRD. Central Government repaid \$14.1mn to multilateral lenders, including \$4.7mn to CDB, \$4.3mn to IDB, \$3.9mn to IBRD and \$1.2mn to OPEC. Bilateral creditors received \$11.0mn, including \$8.4mn paid to ROC/Taiwan for housing and highway rehabilitation. The DFC made payments of \$3.0mn to the Belize Mortgage Company for the North American Securitization and \$0.7mn to CDB, while the non-financial public sector amortized \$1.3mn to CDB and \$0.4mn to the government of Kuwait.

Interest and other payments totaled \$43.4mn, which included a payment of \$33.1mn on for the 'super bond. Bilateral creditors received \$3.9mn, of which \$3.1mn went to ROC/Taiwan, while payments to multilateral lenders totaled \$6.0mn.

Chart 3.6: External Debt Service Payments



Statistical Appendix

Table A.1: Factors Responsible for Money Supply Movements

\$mn

| | Position as at May 2011 | Changes during | | |
|--|-------------------------------|----------------------------|----------------------------|----------------------------|
| | | Apr 2011 to May 2011 | Dec 2010 to May 2011 | Dec 2009 to May 2010 |
| | | | | |
| Net Foreign Assets | 737.2 | 27.7 | 109.4 | 59.8 |
| Central Bank | 468.3 | 27.4 | 22.6 | -3.2 |
| Commercial Bank | 268.9 | 0.3 | 86.8 | 63.0 |
| Net Domestic Credit | 1,923.8 | -16.8 | -27.1 | -65.7 |
| Central Government (Net) | 153.2 | -18.8 | -34.0 | 6.2 |
| Other Public Sector | 5.9 | 0.3 | -0.2 | -1.8 |
| Private Sector | 1,764.7 | 1.7 | 7.1 | -70.1 |
| Central Bank Foreign Liabilities(Long-term) | 72.3 | -0.9 | 2.7 | -4.2 |
| Other Items (net) | 424.1 | 7.9 | 5.8 | -0.7 |
| Money Supply M2 | 2,164.6 | 3.9 | 73.8 | -1.0 |

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

\$mn

| | Position as at May 2011 | Changes during | | |
|---|-------------------------------|----------------------------|----------------------------|----------------------------|
| | | Apr 2011 to May 2011 | Dec 2010 to May 2011 | Dec 2009 to May 2010 |
| | | | | |
| Net Foreign Assets of Banking System | 737.2 | 27.7 | 109.4 | 59.8 |
| Net Foreign Assets of Central Bank | 468.3 | 27.4 | 22.6 | -3.2 |
| Central Bank Foreign Assets | 472.0 | 29.3 | 23.3 | -2.6 |
| Central Bank Foreign Liabilities(Demand) | 3.7 | 1.9 | 0.7 | 0.6 |
| Net Foreign Assets of Commercial Banks | 268.9 | 0.3 | 86.8 | 63.0 |
| Commercial Bank Foreign Assets | 302.9 | 3.7 | 76.4 | 30.4 |
| Commercial Bank Foreign Liab. (Short-Term) | 34.0 | 3.4 | -10.4 | -32.6 |

Table A.3: Net Domestic Credit

\$mn

| | Position as at May 2011 | Changes during | | |
|---|-------------------------------|----------------------------|----------------------------|----------------------------|
| | | Apr 2011 to May 2011 | Dec 2010 to May 2011 | Dec 2009 to May 2010 |
| | | | | |
| Total Credit to Central Government | 334.4 | 15.1 | 16.0 | -12.9 |
| From Central Bank | 174.3 | 18.7 | 21.2 | -79.5 |
| Loans and Advances | 51.6 | 15.0 | 17.5 | -88.5 |
| Gov't Securities ⁽¹⁾ | 122.7 | 3.7 | 3.7 | 9.0 |
| From Commercial Banks | 160.1 | -3.6 | -5.2 | 66.6 |
| Loans and Advances | 2.6 | 0.0 | -0.2 | -0.1 |
| Gov't Securities | 157.5 | -3.6 | -5.0 | 66.7 |
| (of which) Treasury Bills ⁽²⁾ | 147.5 | -3.6 | -5.0 | 61.7 |
| Treasury Notes | 10.0 | 0.0 | 0.0 | 5.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Less Central Government Deposits | 181.2 | 33.9 | 50.0 | -19.1 |
| With Central Bank | 140.7 | 29.6 | 38.6 | -18.3 |
| With Commercial Banks | 40.5 | 4.3 | 11.4 | -0.8 |
| Net Credit to Central Government | 153.2 | -18.8 | -34.0 | 6.2 |
| Credit to Other Public Sector | 5.9 | 0.3 | -0.2 | -1.8 |
| From Central Bank | 0.0 | 0.0 | 0.0 | 0.0 |
| From Commercial Banks | 5.9 | 0.3 | -0.2 | -1.8 |
| (of which) Local Government | 3.3 | 0.1 | 0.0 | 0.4 |
| Public Financial Institutions | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Utilities | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Statutory Bodies | 2.6 | 0.2 | -0.2 | -2.2 |
| Securities | 0.0 | 0.0 | 0.0 | 0.0 |
| Plus Credit to the Private Sector | 1,764.7 | 1.7 | 7.1 | -70.1 |
| Loans and Advances | 1,763.4 | 1.7 | 7.1 | -70.1 |
| Securities | 1.3 | 0.0 | 0.0 | 0.0 |
| Net Domestic Credit of the Banking System ⁽³⁾ | 1,923.8 | -16.8 | -27.1 | -65.7 |

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

(2) T-bill holdings reported by commercial banks reflect a mix of par and market values.

(3) Differences due to rounding

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

\$mn

| | Position as at May 2011 | Changes during | | |
|-------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| | | Apr 2011 to May 2011 | Dec 2010 to May 2011 | Dec 2009 to May 2010 |
| | | | | |
| PRIMARY SECTOR | 200.2 | 8.0 | 5.7 | 8.1 |
| Agriculture | 136.0 | 3.6 | 3.6 | 4.0 |
| Sugar | 12.7 | -0.3 | -0.3 | -1.4 |
| Citrus | 19.4 | 2.5 | 0.5 | 0.8 |
| Bananas | 80.1 | 0.4 | 1.7 | 1.9 |
| Other | 23.8 | 1.0 | 1.7 | 2.7 |
| Marine Products | 40.7 | 4.2 | 3.2 | 3.1 |
| Forestry | 1.9 | 0.1 | 0.3 | 0.3 |
| Mining & Exploration | 21.6 | 0.1 | -1.4 | 0.7 |
| SECONDARY SECTOR | 521.9 | 0.7 | 0.7 | -45.6 |
| Manufacturing | 42.3 | -1.7 | -4.9 | 0.3 |
| Building & Construction | 449.8 | 1.9 | 1.9 | -46.4 |
| Utilities | 29.8 | 0.5 | 3.7 | 0.5 |
| TERTIARY SECTOR | 667.8 | -3.7 | 6.4 | -24.7 |
| Transport | 57.8 | 0.3 | -0.1 | -18.3 |
| Tourism | 128.0 | -4.1 | -9.8 | 3.2 |
| Distribution | 220.4 | -1.3 | 2.7 | -2.2 |
| Other* | 261.6 | 1.4 | 13.6 | -7.4 |
| Personal Loans | 378.7 | -3.0 | -6.2 | -9.9 |
| TOTAL | 1768.6 | 2.0 | 6.6 | -72.1 |

* Includes government services, real estate, financial institutions, professional services and entertainment

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

\$mn

| | Changes during | | | |
|---|----------------|-------------|--------------|--------------|
| | Position | Apr 2011 | Dec 2010 | Dec 2009 |
| | as at | to | to | to |
| | May 2011 | May 2011 | May 2011 | May 2010 |
| Holdings of Approved Liquid Assets | 670.5 | 13.8 | 62.2 | 20.5 |
| Notes and Coins | 59.2 | 5.0 | -5.5 | -3.0 |
| Balances with Central Bank | 221.8 | 9.0 | -3.9 | -48.1 |
| Money at Call and Foreign Balances (due 90 days) | 224.7 | 6.0 | 89.5 | 35.0 |
| Treasury Bills maturing in not more than 90 days ⁽¹⁾ | 149.1 | -6.3 | -1.7 | 54.7 |
| Other Approved assets | 15.7 | 0.1 | -16.2 | -18.1 |
| of which: Treasury Notes | 0.0 | 0.0 | -16.6 | -21.2 |
| Required Liquid Assets | 466.4 | 5.4 | 18.3 | 6.6 |
| Excess/(Deficiency) Liquid Assets | 204.1 | 8.4 | 43.9 | 13.9 |
| Daily Average holdings of Cash Reserves | 222.0 | 7.2 | -4.1 | -46.2 |
| Required Cash Reserves | 172.4 | 2.0 | 6.8 | -26.7 |
| Excess/(Deficiency) Cash Reserves | 49.6 | 5.2 | -10.9 | -19.5 |
| Actual Securities Balances ⁽²⁾ | 148.0 | -3.7 | -5.0 | 147.7 |
| Required Securities Balances | 58.8 | 0.0 | -69.5 | 128.3 |
| Excess/(Deficiency) Securities | 89.2 | -3.7 | 64.5 | 19.4 |

(1) Four week average of commercial banks' T-Bills holdings.

(2) Face value of commercial banks' T-Bill holdings at the end of the month.

Table A.6: Weighted Average Interest Rates

%

| | Changes during | | | |
|--------------------------------|----------------|--------------|--------------|--------------|
| | Position | Apr 2011 | Dec 2010 | Dec 2009 |
| | as at | to | to | to |
| | May 2011 | May 2011 | May 2011 | May 2010 |
| Weighted Lending Rates | | | | |
| Personal Loans | 14.90 | -0.04 | -0.60 | 0.48 |
| Commercial Loans | 13.42 | 0.17 | 0.03 | -0.03 |
| Residential Construction | 12.22 | -0.03 | -0.94 | -0.56 |
| Other | 12.29 | 0.00 | -0.03 | 1.55 |
| Weighted Average | 13.53 | 0.08 | -0.25 | -0.11 |
| Weighted Deposit Rates | | | | |
| Demand | 0.57 | 0.01 | 0.09 | -0.18 |
| Savings/ Cheque | 4.36 | -0.07 | -0.64 | 0.00 |
| Savings | 4.78 | -0.02 | -0.19 | 0.01 |
| Time | 6.73 | -0.15 | -0.69 | -0.39 |
| Weighted Average | 5.00 | -0.12 | -0.61 | -0.27 |
| Weighted Average Spread | 8.53 | 0.20 | 0.36 | 0.16 |

Table A.7: Tourist Arrivals

| | Jan-May 2010 | Jan-May 2011 |
|------------------------------------|-----------------|-----------------|
| Air | 83,965 | 87,654 |
| Land | 20,060 | 19,029 |
| Sea | <u>4,400</u> | <u>5,476</u> |
| Stay-over Visitors | 108,425 | 112,158 |
| Cruise Ship Disembarkations | 358,025 | 304,068 |

Source: Belize Tourism Board

Table A.8: Sugarcane Deliveries & Production of Sugar and Molasses

| | May 2010 | May 2011 | Dec—May 2009/2010 | Dec—May 2010/2011 |
|--|-------------|-------------|----------------------|----------------------|
| Deliveries of Sugarcane (long tons) | 151,712 | 158,650 | 727,865 | 756,707 |
| Sugar Processed (long tons) | 13,070 | 19,989 | 66,756 | 89,762 |
| Molasses processed (long tons) | 8,545 | 5,954 | 29,860 | 23,978 |
| Performance | | | | |
| Factory Time Efficiency (%) | 94.14 | 85.42 | 93.47 | 77.53 |
| Cane Purity (%) | 79.96 | 85.76 | 81.45 | 86.82 |
| Cane/Sugar | 11.33 | 7.91 | 10.69 | 8.33 |

Source: Belize Sugar Industries

Table A.9: Exports of Sugar and Molasses

| | May 2010 | | May 2011 | | Jan—May 2010 | | Jan—May 2011 | |
|-----------------|---------------|--------------|---------------|---------------|-----------------|---------------|-----------------|---------------|
| | Volume | Value | Volume | Value | Volume | Value | Volume | Value |
| | (long tons) | (\$'000) | (long tons) | (\$'000) | (long tons) | (\$'000) | (long tons) | (\$'000) |
| Sugar | 11,830 | 9,506 | 14,263 | 22,834 | 41,044 | 33,990 | 57,456 | 59,690 |
| E.U. | 11,810 | 9,487 | 533 | 759 | 40,984 | 33,933 | 43,686 | 37,578 |
| USA | 0 | 0 | 13,730 | 22,075 | 0 | 0 | 13,730 | 22,075 |
| Caricom | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 20 | 19 | 0 | 0 | 60 | 57 | 40 | 38 |
| Molasses | 0 | 0 | 7,405 | 1,074 | 8,871 | 893 | 12,818 | 1,626 |

Source: Belize Sugar Industries

Table A.10: Citrus Deliveries & Production

| | May 2010 | May 2011 | Oct– May 2009/10 | Oct– May 2010/11 |
|----------------------------------|------------------|----------------|---------------------|---------------------|
| Deliveries (boxes) | | | | |
| Orange | 656,891 | 66,036 | 3,640,589 | 4,447,339 |
| Grapefruit | <u>0</u> | <u>0</u> | <u>1,389,753</u> | <u>539,022</u> |
| Total | 656,891 | 66,036 | 5,030,342 | 4,986,361 |
| Concentrate Produced (ps) | | | | |
| Orange | 3,194,794 | 477,323 | 20,619,720 | 28,046,917 |
| Grapefruit | <u>0</u> | <u>0</u> | <u>5,023,326</u> | <u>2,006,679</u> |
| Total | 3,194,794 | 477,323 | 25,643,046 | 30,053,596 |
| Not from concentrate (ps) | | | | |
| Orange | 213,560 | 0 | 213,560 | 267,735 |
| Grapefruit | <u>0</u> | <u>0</u> | <u>586,630</u> | <u>132,587</u> |
| Total | 213,560 | 0 | 800,190 | 400,322 |
| Pulp (pounds) | | | | |
| Orange | 282,808 | 6,784 | 1,333,236 | 1,734,340 |
| Grapefruit | <u>0</u> | <u>0</u> | <u>0</u> | <u>21,200</u> |
| Total | 282,808 | 6,784 | 1,333,236 | 1,755,540 |
| Oil Produced (pounds) | | | | |
| Orange | 256,400 | 32,000 | 1,359,600 | 1,490,400 |
| Grapefruit | <u>0</u> | <u>0</u> | <u>220,000</u> | <u>70,400</u> |
| Total | 256,400 | 32,000 | 1,579,600 | 1,560,800 |

Source: Citrus Products of Belize

Table A.11: Export Sales of Citrus Products

| | May | | May | | Jan– May | | Jan– May | |
|--------------------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| | 2010 | | 2011 | | 2010 | | 2011 | |
| | Volume (ps '000) | Value (\$ '000) | Volume (ps '000) | Value (\$ '000) | Volume (ps '000) | Value (\$ '000) | Volume (ps '000) | Value (\$ '000) |
| Citrus Concentrates | | | | | | | | |
| U.S.A. | | | | | | | | |
| Orange | 1,038.6 | 2,288 | 222.8 | 675 | 9,298.2 | 22,325 | 5,622.6 | 16,524 |
| Grapefruit | 0.0 | 0 | 0.0 | 0 | 226.2 | 582 | 0.0 | 0 |
| Caribbean | | | | | | | | |
| Orange | 998.2 | 2,562 | 902.7 | 2,597 | 3,341.2 | 8,247 | 6,869.7 | 19,061 |
| Grapefruit | 68.0 | 225 | 90.3 | 321 | 201.7 | 669 | 229.9 | 808 |
| Europe | | | | | | | | |
| Orange | 971.2 | 2,429 | 620.9 | 2,219 | 3,686.9 | 8,653 | 1,049.6 | 3,310 |
| Grapefruit | 221.6 | 581 | 104.6 | 324 | 1,082.6 | 2,645 | 504.9 | 1,543 |
| Other | | | | | | | | |
| Orange | 374.9 | 823 | 811.2 | 2,690 | 1,224.6 | 2,674 | 3,442.7 | 13,744 |
| Grapefruit | 43.2 | 145 | 0.0 | 0 | 1,165.7 | 3,059 | 553.7 | 1,471 |
| Sub-Total⁽¹⁾ | 3,715.7 | 9,053 | 2,752.4 | 8,827 | 20,227.1 | 48,855 | 18,273.1 | 56,460 |
| Orange | 3,382.9 | 8,102 | 2,557.5 | 8,182 | 17,550.9 | 41,900 | 16,984.5 | 52,638 |
| Grapefruit | 332.8 | 951 | 194.9 | 645 | 2,676.3 | 6,955 | 1,288.5 | 3,822 |
| Not-From-Concentrate | | | | | | | | |
| Sub-Total | 0.0 | 0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0 |
| Orange | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Grapefruit | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| Total Citrus Juices | 3,715.7 | 9,053 | 2,752.4 | 8,827 | 20,227.1 | 48,855 | 18,273.1 | 56,460 |
| Pulp (pounds '000) | | | | | | | | |
| Sub-Total⁽¹⁾ | 226.4 | 164 | 445.6 | 323 | 871.7 | 629 | 977.0 | 708 |
| Orange | 181.9 | 131 | 390.1 | 280 | 761.9 | 550 | 855.8 | 614 |
| Grapefruit | 44.5 | 32 | 55.5 | 43 | 109.8 | 80 | 121.3 | 94 |

Source: Citrus Products of Belize

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

Table A.12: Government Revenue & Expenditure

| | Approved Budget 2010/2011 | Jan-11 to May-11 | Jan-10 to May-10 | Apr-11 to May-11 | Apr-10 to May-10 | \$'000 Actual YTD as % of Budget |
|---|---------------------------------|------------------------|------------------------|------------------------|------------------------|---|
| TOTAL REVENUE & GRANTS (1+2+3) | 843,630 | 340,993 | 343,690 | 127,304 | 143,455 | 15.1% |
| 1). Current revenue | 784,049 | 320,034 | 326,173 | 123,657 | 140,262 | 15.8% |
| Tax revenue | 687,267 | 269,075 | 271,217 | 99,505 | 116,012 | 14.5% |
| Income and profits | 256,742 | 94,658 | 100,530 | 34,010 | 40,948 | 13.2% |
| Taxes on property | 5,459 | 4,574 | 2,517 | 2,037 | 1,055 | 37.3% |
| Taxes on goods and services | 226,740 | 99,610 | 101,141 | 32,590 | 46,710 | 14.4% |
| Int'l trade and transactions | 198,325 | 70,233 | 67,029 | 30,868 | 27,299 | 15.6% |
| Non-Tax Revenue | 96,783 | 50,959 | 54,956 | 24,152 | 24,250 | 25.0% |
| Property income | 12,229 | 15,923 | 17,486 | 9,109 | 6,465 | 74.5% |
| Licences | 13,619 | 5,929 | 6,670 | 2,535 | 3,293 | 18.6% |
| Other | 70,935 | 29,107 | 30,800 | 12,508 | 14,492 | 17.6% |
| 2). Capital revenue | 5,286 | 15,152 | 11,761 | 3,502 | 2,744 | 66.3% |
| 3). Grants | 54,295 | 5,807 | 5,756 | 144 | 449 | 0.3% |
| TOTAL EXPENDITURE (1+2) | 889,787 | 340,244 | 338,286 | 120,750 | 120,026 | 13.6% |
| 1). Current Expenditure | 729,553 | 302,462 | 285,746 | 106,023 | 96,398 | 14.5% |
| Wages and Salaries | 300,368 | 118,275 | 113,434 | 47,656 | 43,574 | 15.9% |
| Pensions | 48,916 | 20,276 | 20,338 | 8,443 | 7,763 | 17.3% |
| Goods and Services | 168,444 | 76,314 | 72,057 | 28,215 | 24,727 | 16.8% |
| Interest Payments on Public Debt | 111,566 | 48,793 | 41,503 | 4,785 | 5,070 | 4.3% |
| Subsidies & current transfers | 100,259 | 38,803 | 38,414 | 16,924 | 15,264 | 16.9% |
| 2). Capital Expenditure | 160,234 | 37,782 | 52,540 | 14,727 | 23,628 | 9.2% |
| Capital II (local sources) | 47,994 | 25,183 | 29,769 | 9,366 | 12,288 | 19.5% |
| Capital III (foreign sources) | 107,281 | 9,272 | 20,360 | 3,698 | 9,730 | 3.4% |
| Capital Transfer & Net Lending | 4,959 | 3,327 | 2,411 | 1,663 | 1,610 | 33.5% |
| CURRENT BALANCE | 54,496 | 17,572 | 40,427 | 17,634 | 43,864 | 32.4% |
| Primary Balance | 65,410 | 49,542 | 46,907 | 11,339 | 28,499 | 17.3% |
| OVERALL BALANCE | (46,157) | 749 | 5,404 | 6,554 | 23,429 | -14.2% |
| PB less Grants | 11,115 | 43,735 | 41,151 | 11,195 | 28,050 | 100.7% |
| OB less Grants | (100,452) | (5,058) | (352) | 6,410 | 22,980 | -6.4% |
| FINANCING | 46,157 | (749) | (5,404) | (6,554) | (23,429) | |
| Domestic Financing | | (25,844) | 7,106 | (45,103) | (26,451) | |
| Central Bank | | (17,365) | (60,916) | (28,456) | (94,422) | |
| Net Borrowing | | 21,266 | (79,483) | 30,314 | (81,173) | |
| Change in Deposits | | (38,630) | 18,567 | (58,770) | (13,249) | |
| Commercial Banks | | (16,614) | 67,366 | (16,612) | 67,723 | |
| Net Borrowing | | (5,205) | 66,561 | (10,813) | 66,605 | |
| Change in Deposits | | (11,409) | 805 | (5,799) | 1,118 | |
| Other Domestic Financing | | 8,135 | 656 | (35) | 248 | |
| Financing Abroad | | 15,354 | (9,638) | 26,849 | (1,389) | |
| Disbursements | | 40,500 | 15,127 | 35,893 | 7,147 | |
| Amortization | | (25,146) | (24,765) | (9,044) | (8,536) | |
| Other | | 9,741 | (2,872) | 11,700 | 4,411 | |

Source: Ministry of Finance

Table A.13: Central Government's Domestic Debt⁽¹⁾

\$'000

| | Disbursed | TRANSACTIONS THROUGH MAY 2011 | | | | Disbursed |
|---|-----------------------|-------------------------------|---------------|--------------|---------------|-----------------------|
| | Outstanding | Disbursement/ | Amortization/ | | Net Change | Outstanding |
| | Debt | New Issue of | Reduction in | Interest | in Overdraft/ | Debt |
| | 31/12/10 ^R | Securities | Securities | | Securities | 31/05/11 ^P |
| Overdraft / Loans | 34,046 | 0 | 0 | 1,747 | 17,524 | 51,570 |
| Central Bank | 34,046 | 0 | 0 | 1,747 | 17,524 | 51,570 |
| Commercial Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Treasury Bills | 175,000 | 0 | 0 | 2,007 | 0 | 175,000 |
| Central Bank | 21,014 | 0 | 0 | 256 | 4,977 | 25,991 |
| Commercial Banks | 152,522 | 0 | 0 | 1,740 | (5,015) | 147,507 |
| Other | 1,464 | 0 | 0 | 11 | 38 | 1,502 |
| Treasury Notes | 136,800 | 0 | 0 | 2,266 | 0 | 136,800 |
| Central Bank | 87,991 | 0 | 0 | 1,993 | (1,235) | 86,756 |
| Commercial Banks | 10,000 | 0 | 0 | 0 | 0 | 10,000 |
| Other | 38,809 | 0 | 0 | 272 | 1,235 | 40,044 |
| Defence Bonds | 10,000 | 0 | 0 | 400 | 0 | 10,000 |
| Central Bank | 10,000 | 0 | 0 | 400 | 0 | 10,000 |
| Commercial Banks | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Heritage Bank Ltd | 2,743 | 0 | 189 | 167 | 0 | 2,553 |
| Belize Social Security Board⁽²⁾ | 4,374 | 0 | 426 | 167 | 0 | 3,947 |
| Fort St Tourism Village | 96 | 0 | 57 | 0 | 0 | 40 |
| Debt for Nature Swap | 3,747 | 0 | 693 | 45 | 0 | 3,054 |
| Guardian Life Bze | 1,000 | 0 | 0 | 45 | 0 | 1,000 |
| Total | 367,806 | 0 | 1,365 | 6,843 | 17,524 | 383,964 |

⁽¹⁾ Please Note that transactions associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

⁽²⁾ 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.14: Public Sector External Debt by Creditor

\$'000

| | Disbursed | | TRANSACTIONS THROUGH MAY 2011 | | | | Disbursed |
|--|-----------------------|---------------|-------------------------------|---------------------------|---------------|-----------------------|-----------|
| | Outstanding | Disbursements | Principal Payments | Interest & Other Payments | Parity Change | Outstanding | |
| | Debt | | | | | Debt | |
| | 31/12/10 ^R | | | | | 31/05/11 ^P | |
| CENTRAL GOVERNMENT | 1,886,156 | 40,500 | 25,099 | 42,128 | 1,765 | 1,903,321 | |
| Banco Nacional de Comercio Exterior | 4,764 | 0 | 529 | 145 | 0 | 4,235 | |
| Government of the United States | 1,096 | 0 | 172 | 27 | 0 | 924 | |
| Government of Venezuela | 39,148 | 57 | 530 | 165 | 0 | 38,675 | |
| Kuwait Fund for Arab Economic Dev | 16,930 | 0 | 484 | 353 | 440 | 16,886 | |
| Republic of China | 280,884 | 20,000 | 8,404 | 3,121 | 0 | 292,480 | |
| Caribbean Development Bank | 189,187 | 2,964 | 4,661 | 3,074 | 0 | 187,490 | |
| European Economic Community | 14,775 | 0 | 66 | 7 | 1,289 | 15,998 | |
| European Investment Bank | 91 | 0 | 0 | 0 | 8 | 99 | |
| Inter-American Development Bank | 205,922 | 15,000 | 4,301 | 1,535 | -0 | 216,621 | |
| International Fund for Agric. Dev. | 1,408 | 351 | 69 | 8 | 27 | 1,717 | |
| Intl. Bank for Reconstruction & Dev. | 22,795 | 1,235 | 3,851 | 136 | -0 | 20,179 | |
| Opec Fund for Int'l. Development | 13,782 | 893 | 1,167 | 392 | -0 | 13,508 | |
| Central American Bank for Econ. Integ. | 980 | 0 | 0 | 62 | 0 | 980 | |
| Manufacturers & Traders Trust Co. | 865 | 0 | 865 | 25 | 0 | 0 | |
| Heritage International Bank & Trust | 0 | 0 | 0 | 0 | 0 | 0 | |
| Bear Stearns & Co (Untendered portion) | 5,916 | 0 | 0 | 0 | 0 | 5,916 | |
| Bank of New York (New Bond Issue) | 1,087,613 | 0 | 0 | 33,079 | 0 | 1,087,613 | |
| NON-FINANCIAL PUBLIC SECTOR | 31,551 | 296 | 1,851 | 537 | 115 | 30,111 | |
| Kuwait Fund for Arab Economic Dev | 4,603 | 0 | 358 | 86 | 115 | 4,361 | |
| Deutsche Bank | 844 | 0 | 211 | 16 | 0 | 633 | |
| Caribbean Development Bank | 26,104 | 296 | 1,282 | 435 | 0 | 25,118 | |
| FINANCIAL PUBLIC SECTOR | 101,700 | 0 | 3,690 | 738 | 2,781 | 100,792 | |
| Caribbean Development Bank | 12,204 | 0 | 709 | 147 | 0 | 11,495 | |
| European Economic Community | 423 | 0 | 20 | 2 | 37 | 440 | |
| European Investment Bank ⁽¹⁾ | 0 | 0 | 0 | 0 | 0 | 0 | |
| Paine Webber Real Estate Securities Inc. | 700 | 0 | 0 | 0 | 0 | 700 | |
| Belize Mortgage Company ⁽²⁾ | 18,781 | 0 | 2,961 | 418 | 0 | 15,820 | |
| International Monetary Fund ⁽³⁾ | 69,592 | 0 | 0 | 171 | 2,745 | 72,336 | |
| GRAND TOTAL | 2,019,407 | 40,796 | 30,641 | 43,404 | 4,661 | 2,034,224 | |

⁽¹⁾ Effective October 3rd 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize repurchase of the company.

⁽²⁾ BMC is the issuer of the DFC North American Securitization Loan through the Bank of New York.

⁽³⁾ IMF SDR Allocation is included as part of financial public sector external debt obligation.