



CENTRAL BANK
of BELIZE

QUARTERLY REVIEW



MARCH 2016

VOLUME 40 No. 1

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List of Acronyms and Abbreviations

Acronyms:

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
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance and Freight
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
GST	General Sales Tax
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MOF	Ministry of Finance
OPEC	Organisation of Petroleum Exporting Countries
ROC/Taiwan	Republic of China/Taiwan
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
UHS	Universal Health Services
UK	United Kingdom
US	United States
VPCA	Venezuelan Petrocaribe Agreement
UNWTO	World Tourism Organization

Abbreviations and Conventions:

\$	refers to the Belize dollar unless otherwise stated
bn	denotes billion
mn	denotes million
ps	Pound solids

Notes:

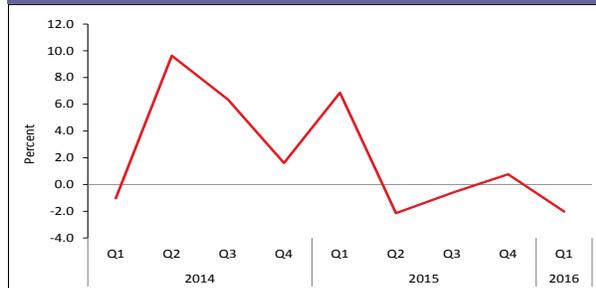
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2016 figures in this report are provisional and the figures for 2015 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.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

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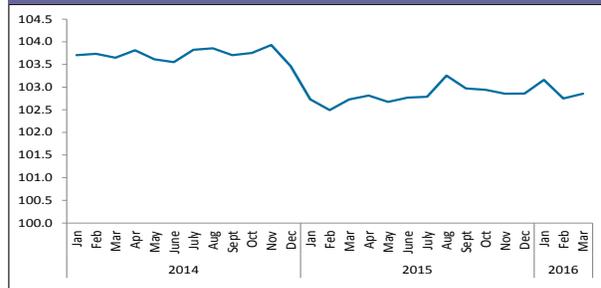
SUMMARY OF ECONOMIC INDICATORS

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



Source: SIB

Chart II: Consumer Price Index (All Items)



Source: SIB

Chart III: Gross International Reserves and Import Cover

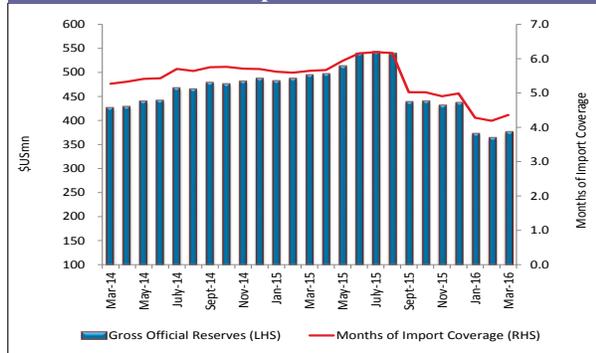


Chart IV: Current Account Balance to GDP

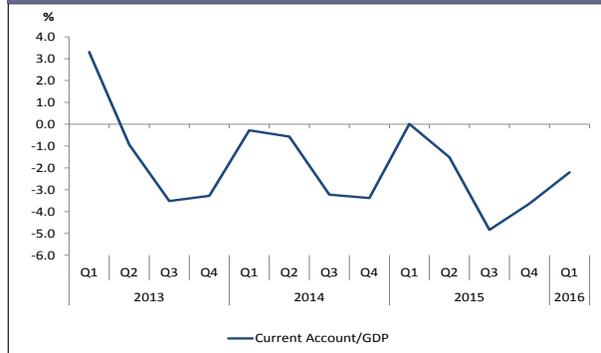


Chart V: Domestic Banks - Deposits and Loans and Advances

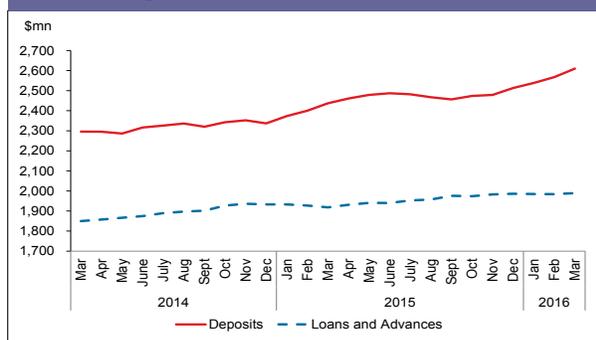
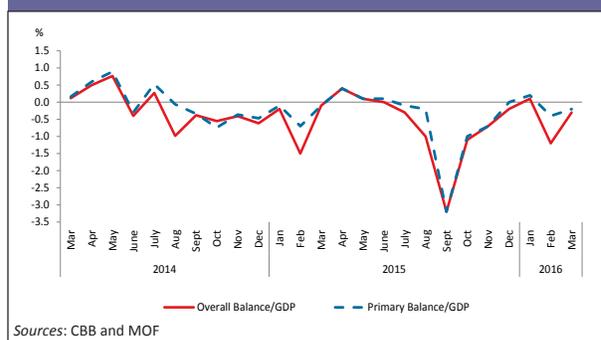


Chart VI: Primary and Overall Balances to GDP



Sources: CBB and MOF

Chart VII: Public Sector External Debt

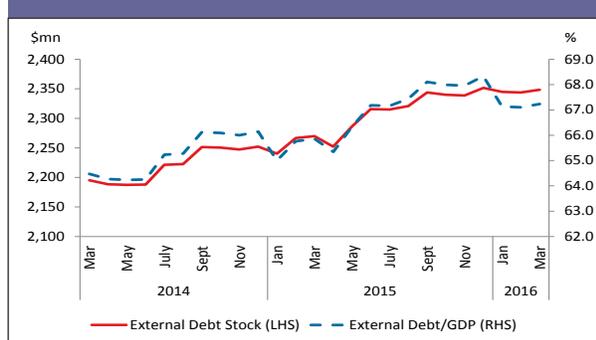
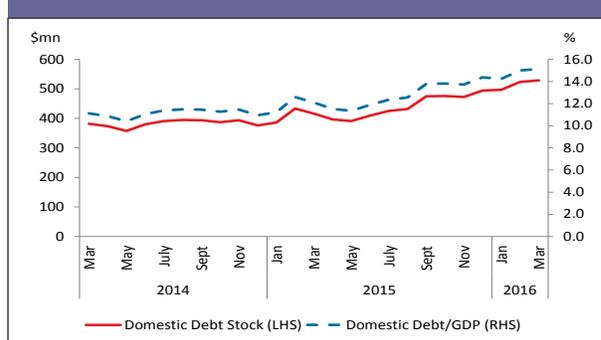


Chart VIII: Central Government Domestic Debt



Overview

World economic activity continued to be spearheaded by the emerging and developing economies in the first quarter, notwithstanding the challenges of weak commodity prices, low external demand and other country-specific issues. In the case of the advanced economies, overall growth was in line with forecasts, as lower than expected expansion in the United States (US) was counterbalanced by modest improvements in the others. There was some strengthening of employment while inflation remained low; however, sustained robust growth continued to be an elusive target in these economies. In the case of the Caribbean, tourism provided a moderate boost, but regional growth continued to be hindered by unfavourable terms of trade, debt overhangs and tightening fiscal space.

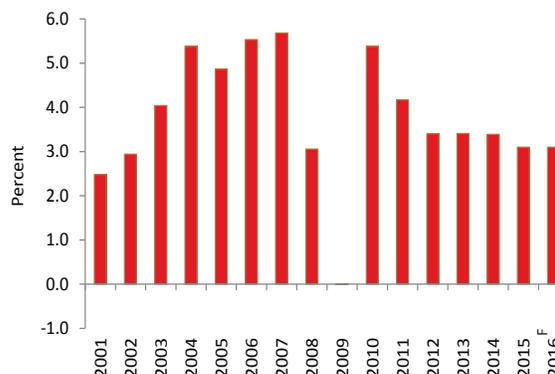
On the domestic front, Belize's real GDP contracted by 2.0%, as a marked decline in primary activities outweighed more modest growth in the secondary and tertiary sectors. The primary sector suffered a 34.1% contraction, precipitated by significant declines in farmed shrimp, as well as major export commodities such as citrus, banana and papaya. On the other hand, growth of 4.2% in the secondary sector was driven by an upturn in generation of hydroelectricity, construction and beverage production, and the tertiary sector also remained resilient with a 4.0% expansion, which

reflected increases in almost all service-based industries. In comparison to the first quarter of 2015, the Consumer Price Index (CPI) was 0.2% higher on average, mostly due to increased prices for food and non-alcoholic beverages.

The country recorded a sizeable trade deficit mainly due to the drop in exports of major commodities. There was also an upsurge in profit repatriation and, as a result, an external current account deficit of \$56.1mn (1.6% of GDP) was recorded in the first quarter. This was financed by capital inflows and a surplus on the financial account generated mainly by foreign direct investments. As a result, the gross international reserves increased by \$10.3mn to \$884.2mn, which was equivalent to 5.1 months of merchandise imports.

Broad money (M2) expanded by 3.4%, mostly due to a \$70.0mn surge in net

Chart 1.1: World Gross Domestic Product Growth (Year-on-Year Average)



Source: IMF
F - Forecast

domestic credit, as the net foreign assets of the banking system increased by only \$20.8mn. The net increase in the foreign assets of the domestic banks was a rather modest \$12.8mn, which reflected lower export receipts, outflows for the purchase of the local branch of First Caribbean International Bank and continued hiccups in international correspondent banking services.

In the first quarter, a marked expansion of \$66.1mn in net domestic credit to Central Government significantly overshadowed a \$4.2mn increase in lending to the private sector. Given the tepid growth in private sector credit, the domestic banks' holdings of liquid assets rose by 9.5% to \$1,146.8mn, which exceeded requirements by 88.7%. Their total holdings of cash expanded by 6.9% to \$711.0mn, which was also significantly above the legally required threshold of \$224.6mn. Interest rates thus continued to decline. At the end of March, the 12-month (rolling) weighted average lending rate on new loans had fallen by 35 basis points to 9.56% year-on-year, while the comparative weighted average deposit rate was down 33 basis points year-on-year to 1.71%.

With the review period coinciding with the last quarter of the Government's 2015/2016 fiscal year, the reported outturn on the Government's operations was a narrowing of the primary deficit to \$13.2mn (0.4% of GDP) as compared to \$28.9mn (0.8% of GDP) in the same

period last year. The overall deficit also declined from \$63.2mn (1.8% of GDP) to \$49.8mn (1.4% of GDP). The deficit was financed mainly from domestic sources, hence, while the external debt contracted by 0.1% to \$2,348.4mn (67.2% of GDP), the domestic debt was boosted upward by 6.9% to \$528.5mn (15.1% of GDP).

Money and Credit

Broad money (M2) was boosted upward by 3.4% in the first quarter reflecting strong growth in net domestic credit and a smaller increase in the net foreign assets of the banking system. Meanwhile, underpinned by desultory credit growth and burgeoning liquidity, growth in narrow money continued to outpace that of quasi-money. Demand deposits escalated by \$95.0mn, and savings deposits grew by \$22.9mn. In contrast, time deposits contracted for the sixth consecutive year, registering a first quarter decline of \$8.7mn.

An expansion of \$66.1mn in net credit to Central Government dominated developments in the domestic credit market, as Government issued \$40.0mn in new Treasury notes and drew down on deposits held with domestic banks and the Central Bank in order to accommodate its debt service payments and other budgetary outlays. At the end of March, domestic banks were holding \$162.0mn in

Chart 2.1: Net Foreign Assets of the Banking System

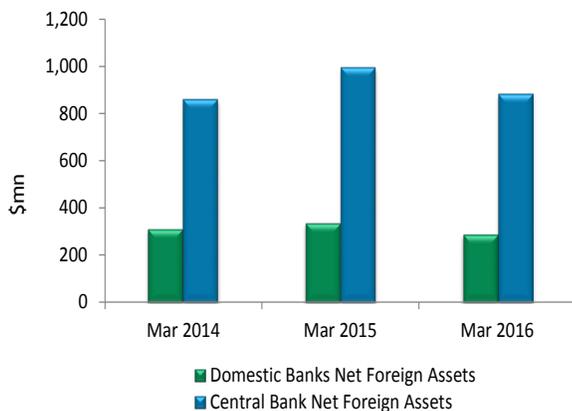
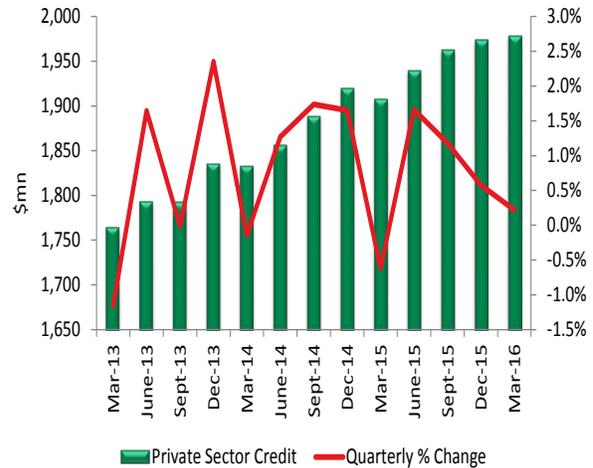


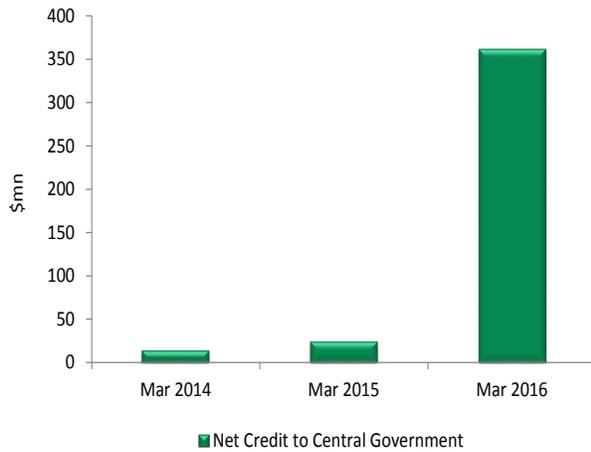
Chart 2.2: Domestic Banks' Private Sector Credit



Treasury bills (81.0% of the total issuance), and the balance was shared among the Central Bank, insurance companies, and municipal bodies. Market participants continued to bid competitively during Treasury bill rollovers, which pushed the average Treasury bill yield down from 0.05901% at the last auction of 2015 to 0.02577%.

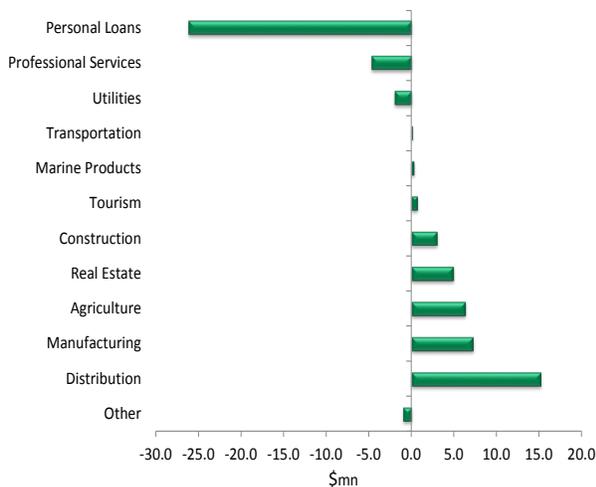
The net foreign assets of the Central Bank rose by \$8.0mn over the quarter with inflows coming mainly from sugar receipts and foreign exchange purchases from commercial banks. At \$14.3mn, external loan disbursements were significantly reduced due to a notable drop in flows from the Venezuelan Petrocaribe Agreement (VPCA). Servicing of the public sector external debt accounted for most of total outflows, with the latter including the February interest payment of \$26.3mn on the 2038 bond.

Chart 2.3: Net Credit to Central Government



Growth in the net foreign assets of domestic banks slowed to \$12.8mn, compared to an increase of \$87.2mn in the first quarter of the previous year. This deceleration largely reflected the sizeable payment made by Heritage Bank in its acquisition of the local branch of First Caribbean International Bank (FCIB) and reduced earnings from export commodities, particularly shrimp, banana, papaya and citrus products.

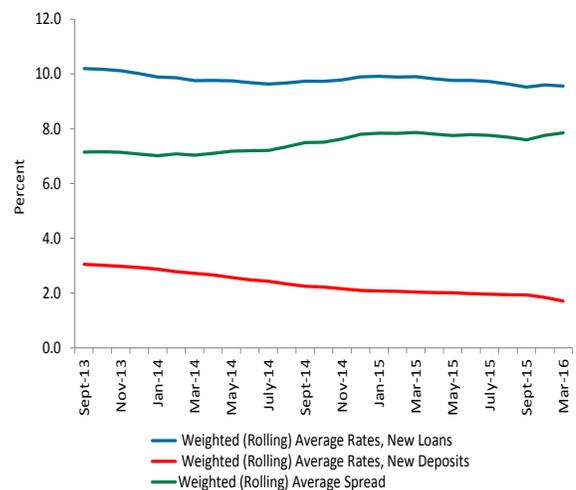
Chart 2.4: Changes in Domestic Banks' Loans and Advances, Dec 2015 - Mar 2016



Loans to the private sector rose by a modest \$4.2mn, an increase that was largely due to the transfer to a domestic bank of loans for banana and manufacturing projects that had previously been booked offshore. Some \$7.9mn in non-performing loans was written off during the quarter, compared to write-offs of \$4.5mn in the comparable period of 2015. Meanwhile, net lending by the five largest credit unions contracted by \$0.7mn, as repayments on personal, home improvement and agricultural loans exceeded disbursements for residential construction and commercial real estate.

Excess holdings of statutory liquid assets continued to climb, increasing by \$85.7mn to \$539.1mn. Total holdings thus exceeded the legal requirement by 88.7%. Holdings of excess cash rose by \$40.7mn to \$486.4mn, which was more than double the legal requirement.

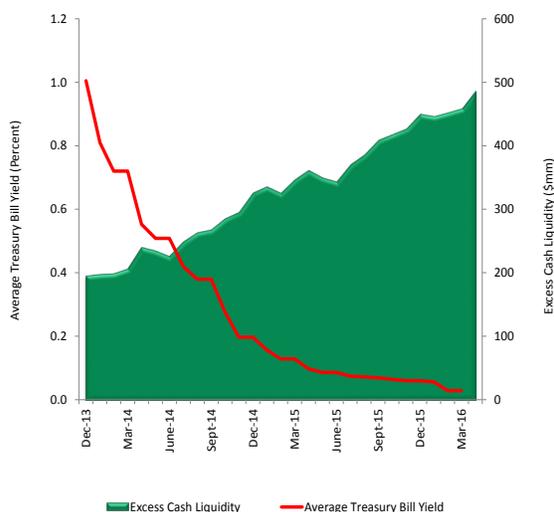
Chart 2.5: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits



The high level of liquidity was conducive to the further decline in interest rates. At 9.56%, the 12-month (rolling) weighted average lending rate on new loans was five basis points lower than December 2015 and 35 basis points lower than the rate offered in March 2015. Rates were lower for all of the major loan categories, led by reductions of 97 basis points on personal loans and 94 basis points on loans for “other” purposes. Rates for commercial and residential construction loans were also down by 23 basis points and 11 basis points, respectively.

The liquidity overhang also impacted deposit rates, with the 12-month (rolling) weighted average interest rate on new deposits down by 13 basis points during the first quarter and by 33 basis points to 1.71% over the year. As a result, the weighted average interest rate spread narrowed by two basis points to 7.84% over the 12-month period.

Chart 2.6: Excess Cash Holdings and Average Treasury Bill Yield



Domestic Production and Prices

Real GDP contracted by 2.0% in the first quarter, as a marked decline in primary activities outweighed growth in the secondary and tertiary sectors.

Primary activities shrank by 34.1% due to a steep decline in farmed shrimp, as well as lower production of major export crops, sugarcane being the exception. Farmed shrimp output was scaled back sharply to experimental levels following the 2015 bacterial infection, and papaya production plunged with the winding down of the major producer's operations. Plagued by citrus greening, citrus deliveries declined, while banana production also fell due to an enforced acreage reduction and flood damage. On the upside, sugarcane deliveries increased, as the 2015/2016 sugarcane harvest reverted to its usual start time in December 2015.

The secondary sector expanded by 4.2%, as increases in generation of hydroelectricity, construction and beverage production outpaced declines in petroleum extraction and citrus juice production.

The tertiary sector expanded by 4.0%, as the second consecutive wage hike for public officers boosted "*Producers of Government Services*" by 12.3%, while higher arrivals of stay-over tourists contributed to increases of 4.5% in "*Hotels & Restaurants*" and 4.9% in "*Transport and Communications*". The "*Wholesale and Retail*" sector edged

up by 1.9%, as higher tax collections more than compensated for decreased imports.

Sugarcane and Sugar

Deliveries of sugarcane commenced on 7 December 2015, seven weeks earlier than the previous crop with Belize Sugar Industries (BSI) forecasting that it would grind a total of 1.2mn long tons and produce 129,000 long tons of sugar for the 2015/2016 crop year.

Reports for the crop year up to the end of March were that sugarcane deliveries rose by 57.4% to 747,705 long tons. However, output of sugar increased by only 25.8% to 70,279 long tons due to the delivery of stand-over sugarcane and excessive rains at the start of the harvest. Cane purity dipped by 3.4% to 84.3%, while the cane to sugar ratio fell by 25.8% to 10.5. Molasses production declined by 76.8% to 23,062 long tons.

With the continued downturn in preferential prices for sugar in the EU,

Table 3.1: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - Mar 2014/2015	Dec - Mar 2015/2016
Deliveries of Sugarcane to BSI (long tons)	475,014	747,705
Sugar Processed by BSI (long tons)	55,868	70,279
Molasses processed by BSI (long tons)	13,042	23,062
Performance		
Factory Time Efficiency (%)	97.53	95.99
Cane Purity (%)	87.20	84.25
Cane/Sugar	8.32	10.47

Source: BSI

the price paid to farmers is expected to decline by 40.4% to \$45.25 per long ton, even with a 50.0% increase in the price of plantation white sugar on the local market. As a result, the first payment to sugarcane farmers for the 2015/2016 crop was set at \$36.65 per long ton, compared to \$42.84 in the previous crop year.

Citrus

The 2015/2016 citrus crop commenced on 28 October with production being forecasted to fall by 7.5% to 4.5mn boxes due to the ongoing degradation of trees from citrus greening. Orange and grapefruit yields were each expected to contract by 0.2mn boxes.

To allow fruits to mature longer on the trees, the processor suspended fruit deliveries from 18 March in an effort to improve fruit sweetness and juice quality. The temporary closure of the factory contributed to a 20.4% drop in citrus deliveries to 2.6mn boxes for the 2015/2016 crop year-to-date. Deliveries of orange fell by 11.2% to 2.3mn boxes, while that of grapefruit plummeted by 55.7% to 0.3mn boxes.

Consequently, citrus juice production fell by 20.9% to 15.1mn pound solids (ps), with output of orange and grapefruit juices down by 14.1% to 13.9mn ps and 58.8% to 1.2mn ps, respectively. Because of the drop in fruit quality, juice outturn shrank by 0.6% to an average of 5.8 ps per box. Citrus pulp production increased by

Table 3.2: Output of Citrus Products

	Oct - Mar 2014/2015	Oct - Mar 2015/2016
Deliveries (boxes)		
Orange	2,582,119	2,292,490
Grapefruit	<u>674,131</u>	<u>298,780</u>
Total	3,256,250	2,591,270
Concentrate Produced (ps)		
Orange	16,157,910	13,823,304
Grapefruit	<u>2,843,241</u>	<u>1,190,334</u>
Total	19,001,151	15,013,638
Not from Concentrate (ps)		
Orange	0	54,058
Grapefruit	<u>45,720</u>	<u>0</u>
Total	45,720	54,058
Pulp (pounds)		
Orange	1,170,240	2,176,816
Grapefruit	<u>184,864</u>	<u>0</u>
Total	1,355,104	2,176,816
Oil Produced (pounds)		
Orange	876,800	744,800
Grapefruit	<u>100,400</u>	<u>38,800</u>
Total	977,200	783,600

Sources: CGA and CPBL

60.6% to 2.2mn pounds, while citrus oil extraction fell by 19.8% to 0.8mn pounds.

Banana

Banana production fell by 43.6% to 15,433 metric tons, precipitated by flood damage in the fourth quarter of 2015 and the forced closure due to US sanctions of Meridian Enterprise, a group of farms that accounted for 16.4% of the industry's productive acreage. First quarter yields consequently contracted from 187.2 boxes per acre in 2015 to 124.3 boxes per

Table 3.3: Banana Production

	40 pound boxes	
	Jan - Mar 2015	Jan - Mar 2016
January	426,109	266,922
February	432,182	236,707
March	<u>648,782</u>	<u>347,033</u>
Total	1,507,074	850,662

Source: BGA

acre, and the acreage under cultivation fell to 6,844 acres with 6,282 acres under production and 515 acres under plantilla (immature trees).

Petroleum

Crude oil extraction continued its natural decline, falling by 17.8% to 118,237 barrels. Only the Spanish Lookout field was operational with the average daily extraction rate down by 300 barrels to 1,299 barrels. The Never Delay field was shut down in 2015 because of low production and low international oil prices, which made oil extraction unprofitable.

Tourism

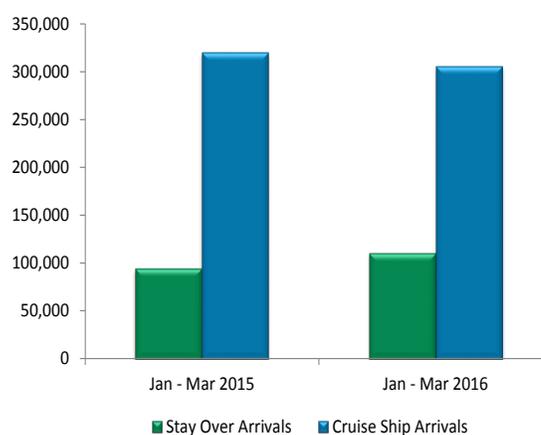
The World Tourism Organization projected that growth in tourist arrivals in the Caribbean would range between 4.5% and 5.5%. However, in the first quarter, Belize outperformed regional forecasts with stay-over arrivals rising by 16.9% to 110,308 visitors. Growth was spurred by a 21.0% increase in air arrivals, which was buoyed by the introduction of two new direct airline services and an intensification in

marketing efforts in key source markets. Visitors from the US rose by 26.4%, increasing the share of total arrivals from that market by 5.4 percentage points to 71.2%. European Union (EU) visitors increased by 6.3%, and those from Canada fell by 15.3%, with both countries' share representing 10.4% and 7.7% of overnight arrivals, respectively. On the other hand, cruise ship disembarkations fell by 4.5% to 306,035 visitors, with port calls down by 10 ships due to the rerouting of ships to Eastern destinations earlier in the year.

Consumer Price Index (CPI)

The CPI remained flat between February and March, mainly due to a sharp fall in the “*Food and Non-Alcoholic Beverages*” category, which was largely attributable to lower prices for red kidney beans, dairy products and some vegetable items. This offset a 1.1% rise in prices for “*Transport*”, following increases in import duties on fuel in late December and February.

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

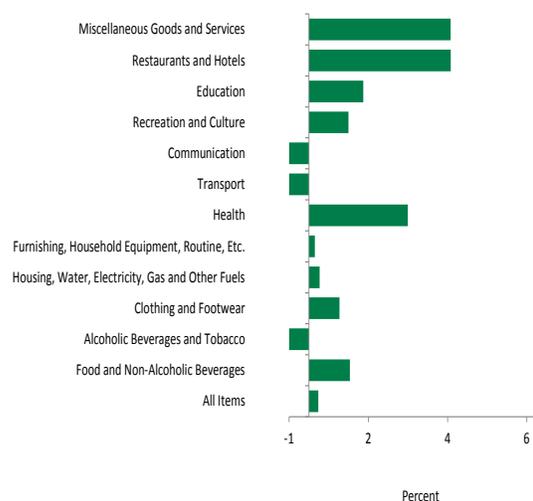
Table 3.4: Bona Fide Tourist Arrivals

	Jan - Mar 2015	Jan - Mar 2016
Stay-over Arrivals		
Air	75,937	91,903
Land	16,047	16,888
Sea	<u>2,392</u>	<u>1,518</u>
Total	94,375	110,308
Cruise Ship	320,333	306,035

Sources: BTB, CBB and Immigration Department

Prices rose by 0.2% on average when comparing the first quarter of 2016 to the same period of 2015. Except for “Transport”, “Communication” and “Alcoholic Beverages and Tobacco”, which saw price declines of 4.1%, 0.7% and 0.5% respectively, all other major categories of the index rose during the year. Notably, “Food and Non-Alcoholic Beverages” increased by 1.0% mostly due to price increases for fruits, vegetables, sugar, and frozen meats. Higher costs for outpatient services and insurance premiums drove up the “Health” and “Miscellaneous Goods and Services” categories by 2.5% and 3.6%, respectively.

Chart 3.2: Average Annual Percentage Change in Consumer Price Index
Jan to Mar 2015 over Jan to Mar 2016



Source: SIB

International Trade and Payments

The external current account moved from a \$0.5mn surplus in 2015 to a deficit of \$56.1mn (1.6% of GDP), as a larger merchandise trade deficit and higher outflows of profits more than outweighed increased earnings from services, particularly tourism. Grant receipts and net inflows on the financial account, attributable mostly to foreign direct investment, financed the deficit and led to a \$10.3mn increase in the gross international reserves. At \$884.2mn, the latter was equivalent to 5.1 months of merchandise imports.

The merchandise trade deficit expanded by 30.9% to \$209.3mn, with exports and imports down by 25.7% and 5.8%, respectively. Except for sugar and molasses, earnings from all major export commodities contracted. This was further exacerbated by double digit declines in earnings from re-exports. The slump in

Chart 4.1: External Current Account and Trade Deficit

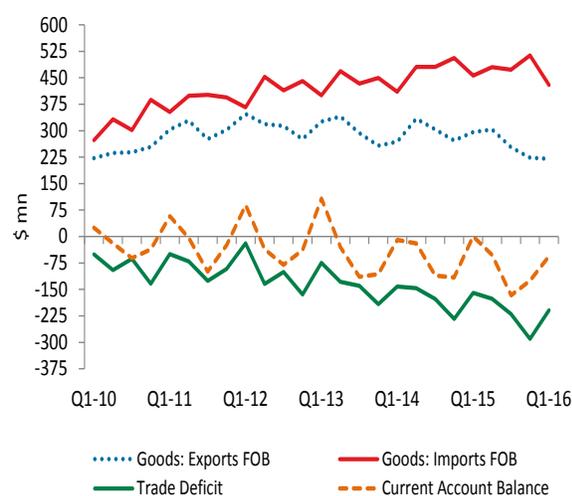


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-Mar 2015 ^R	Jan-Mar 2016 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	0.5	-56.1
I. Goods (Trade Balance)	-159.9	-209.3
Exports, Free on Board (FOB)	296.0	220.0
Domestic Exports	140.5	99.6
CFZ Gross Sales	121.7	97.5
Re-exports	33.7	22.9
Imports, FOB	455.9	429.3
Domestic Imports	377.7	360.6
CFZ Imports	78.3	68.7
II. Services	190.0	212.9
Transportation	-17.1	-17.1
Travel	212.8	229.1
Other Services	-5.7	0.9
III. Primary Income	-64.3	-95.5
Compensation of Employees	-3.4	-2.4
Investment Income	-60.9	-93.2
IV. Secondary Income	34.7	35.9
Government	-1.3	-1.2
Private	36.0	37.1
B. Capital Account	1.3	10.0
C. Financial Account	10.7	-17.5
D. NET ERRORS AND OMISSIONS	23.8	38.9
E. RESERVE ASSETS	14.8	10.3

^R - Revised

^P - Provisional

imports reflected lower outlays on fuel, manufactured goods, CFZ goods and inputs for export processing zones.

Sugar exports increased by 48.8% to 39,471 long tons; however, receipts were up by only 14.8% to \$31.4mn due to a

further lowering of preferential prices in the EU market where the majority of the sugar is sold. Exports to the EU amounted to 39,126 long tons of bulk sugar valued at \$30.9mn, while CARICOM received 344 long tons of bagged brown sugar valued at \$0.4mn. Molasses exports amounted to 6,903 long tons valued at \$1.6mn.

Citrus juice exports fell by 28.6% to 5.8mn pound solids (ps) with earnings down by 26.0% to \$16.5mn. The bulk of sales were to the US (52.9%) and the Caribbean (35.4%). Sales of orange concentrate shrank by 30.6% to 5.2mn ps with earnings dropping by 26.4% to \$14.3mn. Sales of grapefruit concentrate also declined by 6.5% to 0.6mn ps valued at \$2.2mn. Modest price gains in the United States (US) and Caribbean markets of 6.8% and 0.2%, respectively, helped to ameliorate the revenue losses. The price improvements reflected the anticipated

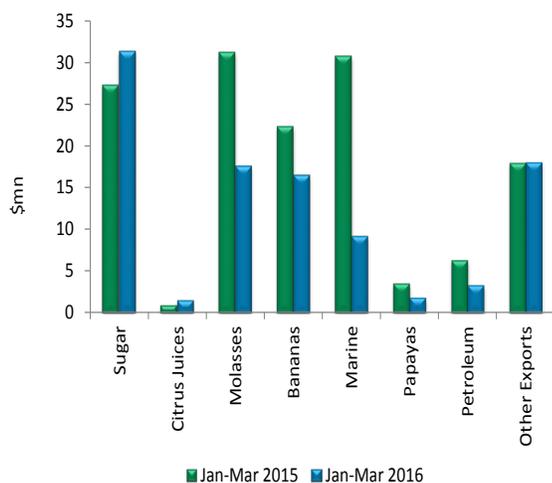
reduction in Florida’s citrus harvest due to citrus greening.

With the slashing of farmed shrimp production due to the Early Mortality Syndrome, exports of marine products plunged by 83.0% to 0.9mn pounds in the first quarter. However, aided by higher prices for conch and shrimp, export receipts fell by 70.0% to \$9.2mn. While shrimp exports amounted to 0.3mn pounds, valued at \$2.8mn (compared to 4.7mn pounds and \$26.1mn in 2015), other marine products recorded increases. Lobster exports doubled in volume to 0.2mn pounds, while receipts grew by 48.5% to \$4.1mn. Buoyed by a 21.6% rise in volume, conch receipts increased by 22.7% to \$2.1mn. Other fish exports recorded a two-fold increase in export volume, but receipts remained at \$0.2mn.

Banana exports declined by 43.5% to 15,433 metric tons valued at \$17.6mn, due to a forced reduction of 16.4% in acreage and the lingering effects of flooding in the fourth quarter of 2015.

The volume of crude oil exports declined by 1.4%, and with the average price falling from US\$46.67 to US\$25.06 per barrel in line with international prices, earnings plummeted by 47.1% to \$3.4mn. Meanwhile, papaya production contracted by 67.7% to 3.1mn pounds, valued at \$1.9mn, with the largest producer beginning to wind up its operations in Belize for a target departure in August.

Chart 4.2: Domestic Exports



Sources: SIB and CBB

In other developments, net earnings from services rose by 6.6% to \$212.9mn, as higher receipts from tourism and other services yielded a marginal surplus, compared to the \$5.7mn deficit of 2015. A 16.9% expansion in overnight arrivals boosted net travel receipts upward by 7.7% to \$229.1mn, which more than compensated for the negative effects of a 4.5% decline in cruise ship disembarkations. A reduction in payments for freight due to the decline in imports was offset by a modest reduction in inflows to transportation agents stemming from the dip in cruise ship port calls. Consequently, net outflows for transportation services remained unchanged at \$17.1mn. In the case of other services, net inflows were up by \$0.9mn, as higher earnings from miscellaneous business services compensated for lower inflows to international organizations and foreign embassies in Belize, as well as larger outflows for insurance premiums, financial services and personal services.

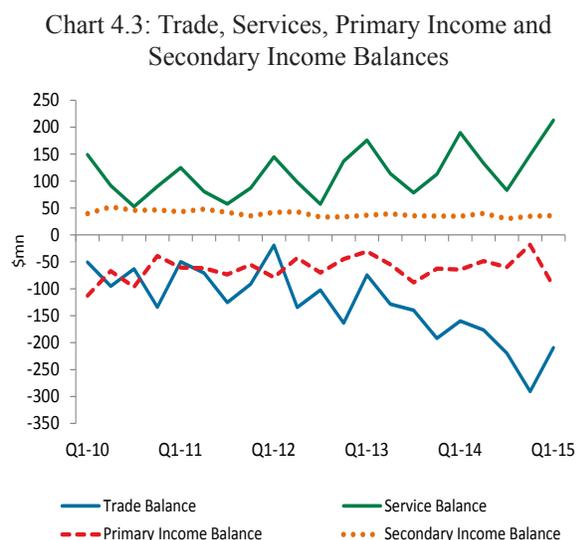


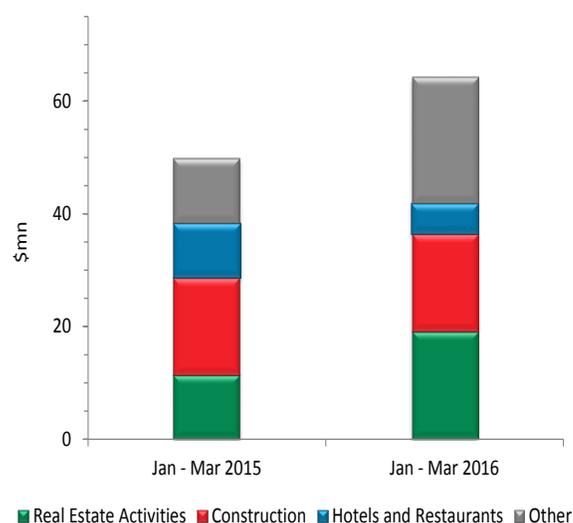
Table 4.2: Capital and Financial Account Summary

	\$mn	
	Jan-Mar 2015 ^R	Jan-Mar 2016 ^P
A. Capital Account	1.3	10.0
B. Financial Account (1+2+3+4)	10.7	-17.5
1. Direct Investment in Belize	-48.5	-57.9
2. Portfolio Investment	0.0	0.0
Monetary Authorities	0.0	0.0
General Government	0.0	0.0
Banks	0.0	0.0
Other Sectors	0.0	0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	59.2	40.4
Monetary Authorities	-1.2	-1.4
General Government	-25.5	-9.1
Banks	87.2	12.4
Other Sectors	-1.4	38.5
C. NET ERRORS AND OMISSIONS	23.8	38.9
D. OVERALL BALANCE	14.8	10.3
E. RESERVE ASSETS	14.8	10.3

^R - Revised

^P - Provisional

Chart 4.4: Foreign Direct Investment Inflows By Major Activity



An increase in profit repatriation by foreign investors in the tourism and banking industries caused an upward surge from \$64.3mn to \$95.5mn in net outflows on the primary income account. Meanwhile, the surplus on the secondary income account remained virtually flat at \$35.9mn, as a marginal contraction in net remittance receipts was offset by transfers to religious and non-profit organizations.

The surplus on the capital account amounted to \$10.0mn, compared to \$1.3mn in the same period of the previous year. Net inflows of \$17.5mn were recorded on the financial account as higher inflows of foreign direct investment outweighed net loan repayments by the government and private sector and a marginal \$5.5mn decline in the foreign asset holdings of domestic banks.

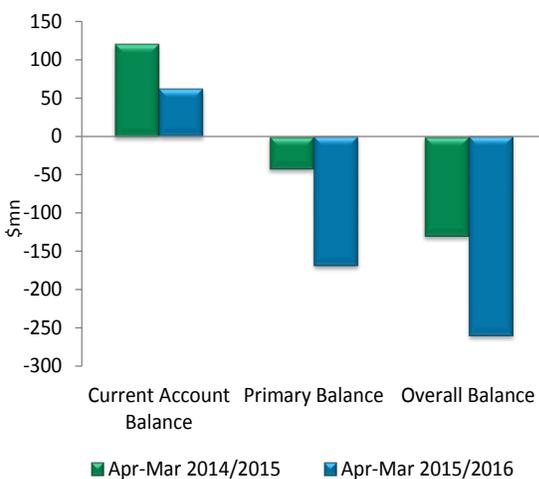
Government Operations and Public Debt

Central Government's operations during **the January-March period**, resulted in a narrowing of its primary deficit to \$13.2mn (0.4% of GDP), compared to \$28.9mn (0.8% of GDP) in the same period of 2015. The overall deficit also declined from \$63.2mn (1.8% of GDP) to \$49.8mn (1.4% of GDP). While current outlays rose by 8.4%, capital spending fell by 52.9%, resulting in an overall 10.5% (\$35.0mn) decline in expenditure. Revenues fell by 8.0% (\$21.6mn), as collections from almost all major sources of government income declined. The exception was property income, which rose with the transfer of the Central Bank's profits in March. The deficit was financed largely from domestic sources.

In reviewing the **2015/2016 fiscal year**, notable developments included the one-

off Government payments in September to settle the outstanding liabilities associated with the acquisition of Belize Telemedia Ltd (BTL) and Belize Electricity Ltd. (BEL). Central Government's expenditure surged by \$125.1mn, while revenues declined by \$4.9mn. The net result was primary and overall deficits of \$168.8mn (4.9% of GDP) and \$260.1mn (7.5% of GDP), respectively. The fiscal deficit was financed mostly through the drawdown of domestic deposits, the issuance of new government securities and, to a lesser extent, external borrowing. Payment for the utilities was recorded as a financing item funded by the proceeds from the sale of BTL shares to the public and Petrocaribe loan disbursements. Were it not for the payment of \$87.1mn to British Caribbean Bank (BCB) to amortize an amount owed for BTL, the primary and overall deficits of the Government would have been 2.4% of GDP and 5.0% of GDP, respectively.

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB

Despite a \$12.1mn increase in current revenues, total revenues fell by \$4.9mn to \$1,000.7mn mainly due to a \$17.6mn reduction in grant receipts. Tax revenues accounted for 86.4% of total income and grew by 1.8%, which reflected higher collections from imports, goods and services. In contrast, non-tax revenues fell by 2.6%. While property income increased with the unfreezing of dividend payments from BTL, collections from rents and royalties fell from \$54.3mn to \$28.0mn,

Table 5.1: Central Government Revenue and Expenditure

	\$mn		
	Apr 2014 to Mar 2015	With BCB ⁽¹⁾ Award and Nationalization Apr 2015 to Mar 2016	Without BCB Award and Nationalization Apr 2015 to Mar 2016
Total Revenue and Grants	1,005.6	1,000.7	1,000.7
Total Expenditure	1,135.7	1,260.8	1,173.4
Primary Balance	-42.6	-168.8	-81.4
Overall Balance	-130.1	-260.1	-172.7
Financing	130.1	260.1	172.7
Domestic Financing	29.8	336.8	114.1
External Financing	105.9	65.5	65.5
Nationalization of Utility Companies	0.0	-135.5	0.0

Sources: MOF and CBB estimates

⁽¹⁾ British Caribbean Bank

as income from the international registries halved and oil revenue contracted further, reducing its share of government income from 3.9% for FY 2014/2015 to 1.1%.

Expenditure rose by 11.0% to \$1,260.8mn (18.0% above budget), as current and capital spending increased by 8.5% and 18.2%, respectively. A major contributor

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2015 to Mar 2015	Jan 2016 to Mar 2016	Apr 2014 to Mar 2015	Apr 2015 to Mar 2016
Current Revenue	267.5	246.4	960.8	972.9
Tax Revenue	241.2	223.4	849.4	864.3
Income and Profits	75.2	67.5	273.8	255.6
Taxes on Property	1.8	2.0	5.5	5.5
Taxes on Goods and Services	94.1	92.3	345.5	354.4
International Trade and Transactions	70.0	61.7	224.5	248.8
Non-Tax Revenue	26.3	23.0	111.4	108.6
Property Income	0.8	5.7	12.6	36.9
Licenses	4.1	4.7	12.2	14.0
Other	21.4	12.6	86.5	57.7
Capital Revenue	1.3	0.8	5.6	6.3
Grants	1.3	1.3	39.2	21.6

Sources: MOF and CBB estimates

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2015 to Mar 2015	Jan 2016 to Mar 2016	Apr 2014 to Mar 2015	Apr 2015 to Mar 2016
Current Expenditure	230.5	249.9	839.3	910.6
Wages and Salaries	85.5	97.4	338.1	384.0
Pensions	15.8	19.5	64.4	77.2
Goods and Services	63.5	58.8	198.5	197.2
Interest Payments	34.3	36.6	87.5	91.3
Of which: External	31.1	31.5	72.6	73.8
Subsidies and Current Transfers	31.4	37.6	150.8	160.8
Capital Expenditure	102.8	48.4	296.4	360.2
Capital II	36.3	24.1	118.8	99.6
Capital III	65.9	23.7	169.8	160.8
Net Lending	0.6	0.6	2.8	89.8

Sources: MOF and CBB estimates

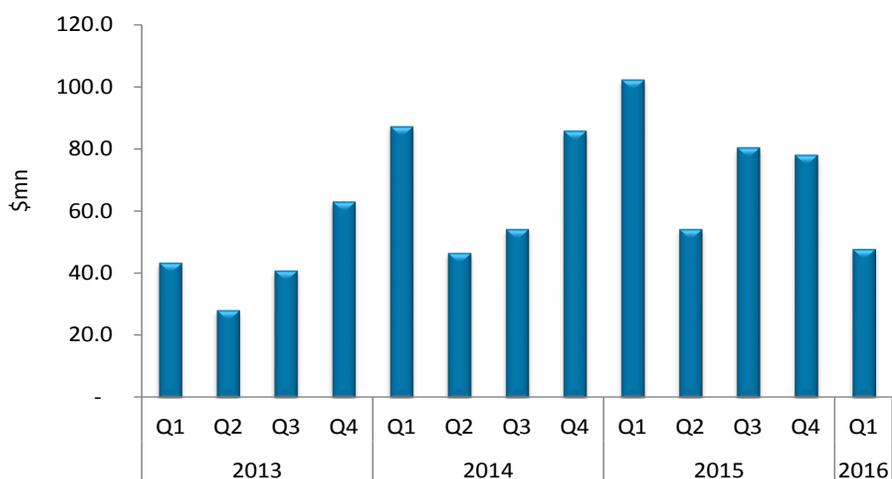
to the growth in current outlays was the negotiated 8.0% increase in wages for public officers, which underpinned double digit increases in personal emoluments (13.6%), pensions (19.9%) and domestic subsidies (8.1%). Additionally, interest payments rose by 4.4% to \$91.3mn with the issuance of \$113.5mn in new securities in the latter part of the FY.

Capital expenditure and net lending surged by \$53.9mn to \$350.2mn (10.1% of GDP). This was comprised of the BCB payment and \$260.4mn in capital outlays. Of the latter, \$127.6mn was spent on infrastructural projects that were funded by Petrocaribe loans. Capital projects included maintenance or rehabilitation of roads, highways, bridges and drains, as well as works on the south side of Belize City, the Southern Highway and the Santa

Elena International Crossing. Outlays on land and solid waste management and environmental projects amounted to \$21.7mn and \$29.9mn, respectively. Disbursements for education, sports, health, tourism, science, technology, housing, security, agriculture and social projects summed to 15.2% of total capital spending. The remainder went mostly to the Belize Infrastructure Limited and for upgrading of public buildings.

The expansion in the fiscal deficit and payments for the liabilities associated with the nationalization of the telecommunication and electricity companies substantially widened the financing gap to \$470.9mn, the bulk of which was financed through domestic sources. The debt-dependency ratio (new borrowings to expenditure) consequently

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

rose from 18.9% in FY 2014/2015 to 20.1%, which is just above the 20.0% international threshold that demarcates critical borderline sustainability.

Domestic Debt

After the Treasury Bills Act was amended in February to raise the threshold on issuances of Treasury bills and Treasury notes from \$200mn to \$400.0mn and from \$225.0mn to \$450.0mn, respectively, Central Government issued new Treasury notes - \$20.0mn in February and \$20.0mn

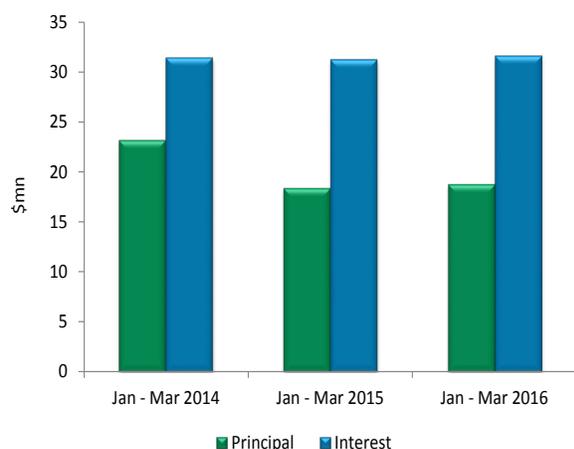
March - to cover the interest payment on the 2038 bond and budget shortfalls. This pushed the domestic debt upward by 6.9% to \$528.5mn (15.1% of GDP) in the first quarter of 2016 and resulted in its share of the total public debt rising from 17.4% at the end of December to 18.4%. Amortization payments, which summed to \$0.4mn, were shared among the domestic banks, Belize Social Security Board (BSSB) and Fort Street Tourism Village.

Interest payments totalled \$5.2mn and included \$3.8mn paid to the Central Bank for credit provided by way of the overdraft and long-term securities. Non-bank entities received \$1.3mn and the remainder went to domestic banks on their holdings of government securities and loans. The new tranche of Treasury notes carried a slightly lower yield that contributed to a reduction in the annual

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2015	Mar 2016	Changes in Stock
Overdraft	63.8	58.3	-5.5
Loans	5.7	5.2	-0.4
Treasury Bills	200.0	200.0	0.0
Treasury Notes	225.0	265.0	40.0
Total	494.4	528.5	34.1

Chart 5.3: External Debt Service



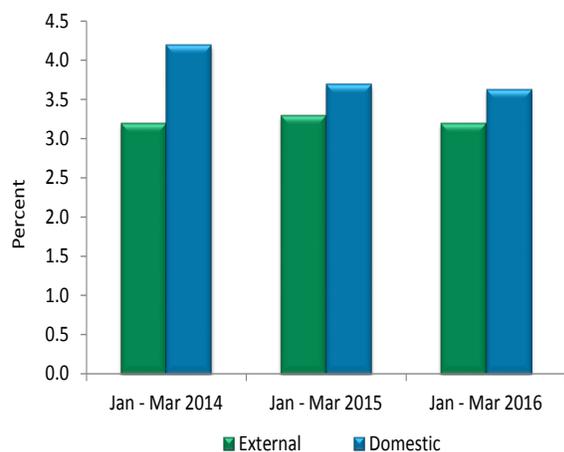
effective interest rate, which averaged 3.6% as compared to the 3.7% average recorded at the end of March 2015.

At the end of March, the share of domestic debt held by the Central Bank stood at 51.7%, compared to 49.7% at the end of 2015. The share held by the banking sector also increased from 30.9% to 31.1%, while the share held by the non-banking sector fell from 19.4% to 17.2%.

Public Sector External Debt

The public sector external debt fell by 0.1% to \$2,348.5mn (67.2% of GDP), with amortization payments of \$18.8mn exceeding disbursements of \$14.2mn. Disbursements to Central Government totalled \$9.8mn and consisted of \$5.4mn from bilateral creditors, of which \$5.3mn was from the Government of Venezuela and \$4.5mn from multilateral lenders. Notable disbursements included \$3.2mn from the Caribbean Development Bank (CDB) and \$1.3mn from the International Bank for Reconstruction and Development (IBRD) for various projects, including infrastructural works. The Development Finance Corporation (DFC) and the non-financial public sector received \$4.0mn and \$0.4mn from CDB, respectively. At 3.2%, the annual effective interest rate average was below the 3.3% recorded at the end of March 2015.

Chart 5.4: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt



Principal repayments by Central Government amounted to \$17.9mn, of which \$6.8mn and \$11.1mn went

Table 5.5: Public Sector External Debt

	\$mn		
	DOD at: 12/31/2015	DOD at: 30/03/2016 ^P	Change in Debt Stock
Central Government	2,270.9	2,263.4	-7.5
Bilateral	640.1	634.5	-5.6
Multilateral	577.7	575.9	-1.9
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	16.5	16.2	-0.3
Bilateral	0.7	0.7	0.0
Multilateral	15.8	15.6	-0.3
Bonds	0.0	0.0	0.0
Financial Public Sector	64.2	68.8	4.6
Bilateral	0.0	0	0.0
Multilateral	64.2	68.8	4.6
Bonds	0.0	0.0	0.0
Grand Total	2,351.6	2,348.5	-3.1

^P - Provisional

to multilateral and bilateral creditors, respectively. The DFC and the non-financial public sector repaid \$0.9mn to the CDB.

Of the \$31.6mn in interest and other payments, holders of the 2038 bond received \$26.3mn (83.2% of the total). Additionally, Central Government paid \$2.9mn to bilateral creditors and \$2.2mn to multilateral lenders. Payments made by the financial and non-financial public sectors amounted to \$0.2mn.

At the end of the first quarter, Central Government's share of the public sector external debt was 96.4%, of which the

2038 bond represented 44.8% and the Government of Venezuela accounted for 16.0%. The share held by the financial and non-financial public sectors were 2.9% and 0.7%, respectively.

ANNEX I

Table 6.1: Gross Domestic Product
Growth Rates of Selected Countries

	Percent	
	Dec 2015	Mar 2016
USA ⁽²⁾	1.4	1.1
UK ⁽¹⁾	2.2	2.1
Euro Zone ⁽¹⁾	1.6	1.7
Japan ⁽²⁾	-1.7	1.7

⁽¹⁾ Percentage change compared to the same quarter of the previous year.

⁽²⁾ Percentage change on an annualized basis.

Source: Respective Statistical Bureaus

Table 6.2: Factors Responsible for Money Supply Movements⁽¹⁾

	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Net Foreign Assets	1,169.7	20.8	100.5
Central Bank	882.7	8.0	13.3
Domestic Banks	287.0	12.8	87.2
Net Domestic Credit	2,356.4	70.0	7.6
Central Government (Net)	362.6	66.1	22.1
Other Public Sector	10.4	-0.3	-2.7
Private Sector	1,983.4	4.2	-11.8
Central Bank Foreign Liabilities (Long-term)	50.4	0.8	-2.5
Other Items (Net)	504.7	-7.0	40.0
Money Supply (M2)	2,971.0	97.0	70.6

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

Table 6.3: Money Supply

	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Money Supply (M2)	2,971.0	97.0	70.6
Money Supply (M1)	1,611.2	82.8	65.5
Currency with the Public	281.0	-10.2	-0.6
Demand Deposits	1,167.6	95.0	60.7
Savings/Chequing Deposits	162.6	-2.0	5.4
Quasi-Money	1,359.8	14.2	5.1
Savings Deposits	493.8	22.9	23.5
Time Deposits	866.0	-8.7	-18.4

Table 6.4: Net Foreign Assets of the Banking System

	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Net Foreign Assets of Banking System	1,169.7	20.8	100.5
Net Foreign Assets of Central Bank	882.7	8.0	13.3
Central Bank Foreign Assets	891.1	8.7	13.8
Central Bank Foreign Liabilities (Demand)	8.4	0.7	0.5
Net Foreign Assets of Domestic Banks	287.0	12.8	87.2
Domestic Banks' Foreign Assets	303.3	-5.1	78.1
Domestic Banks' Foreign Liabilities (Short-Term)	16.3	-17.9	-9.1

Table 6.5: Net Domestic Credit

	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Total Credit to Central Government	437.9	39.5	18.6
From Central Bank	273.5	27.7	24.9
Loans and Advances	58.3	-5.5	0.0
Government Securities ⁽¹⁾	215.2	33.2	24.9
From Domestic Banks	164.4	11.8	-6.3
Loans and Advances	2.4	-0.2	-0.2
Government Securities	162.0	12.0	-6.1
Of which: Treasury Bills	162.0	12.0	-6.1
Treasury Notes	0.0	0.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	75.3	-26.6	-3.5
With Central Bank	49.4	-7.1	-7.2
With Domestic Banks	25.9	-19.5	3.7
Net Credit to Central Government	362.6	66.1	22.1
Credit to Other Public Sector	10.4	-0.3	-2.7
From Central Bank	0.0	0.0	0.0
From Domestic Banks	10.4	-0.3	-2.7
Of which: Local Government	0.7	-0.1	-0.3
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	3.4	-0.7	-1.6
Other Statutory Bodies	4.3	0.5	-0.8
Securities	2.0	0.0	0.0
Plus Credit to the Private Sector	1,983.4	4.2	-11.8
Loans and Advances	1,983.0	4.2	-11.8
Securities	0.4	0.0	0.0
Net Domestic Credit of the Banking System ⁽²⁾	2,356.4	70.0	7.6

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

⁽²⁾ Values may not equal total due to rounding.

Table 6.6: Sectoral Composition of Domestic Banks' Loans and Advances

	\$mn		
	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
PRIMARY SECTOR	258.4	6.6	1.3
Agriculture	209.0	6.3	-0.3
Sugar	71.8	-0.2	-1.3
Citrus	12.0	-2.8	0.0
Bananas	77.7	6.8	-0.2
Other	47.5	2.5	1.2
Marine Products	30.9	0.3	2.1
Forestry	0.7	0.0	-0.6
Mining and Exploration	17.8	0.0	0.1
SECONDARY SECTOR	637.6	8.3	13.5
Manufacturing	43.3	7.2	-0.3
Building and Construction	580.8	3.1	16.1
Utilities	13.5	-2.0	-2.3
TERTIARY SECTOR	689.8	15.0	-18.8
Transport	48.6	0.0	-3.7
Tourism	96.9	0.7	-3.2
Distribution	185.4	15.1	-2.9
Real Estate	298.0	4.9	-3.5
Professional Services	47.4	-4.7	-3.1
Other ⁽¹⁾	13.5	-1.0	-2.4
PERSONAL LOANS ⁽²⁾	403.7	-26.1	-10.7
TOTAL	1,989.5	3.8	-14.7

⁽¹⁾ Includes Government services, financial institutions and entertainment.

⁽²⁾ Changes due to reclassification from personal loans mainly to building and construction.

Table 6.7: Domestic Banks' Liquidity Position and Cash Reserves

	\$mn		
	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Holdings of Approved Liquid Assets	1,146.8	99.4	107.7
Notes and Coins	72.0	-5.1	0.3
Balances with Central Bank	711.8	44.8	28.8
Money at Call and Foreign Balances (due in 90 days)	187.0	42.7	91.6
Treasury Bills maturing in not more than 90 days	162.0	12.0	-6.1
Other Approved Assets	14.0	5.0	-6.9
Of which: Treasury Notes	0.0	0.0	0.0
Required Liquid Assets	607.7	13.7	6.8
Excess/(Deficiency) Liquid Assets	539.1	85.7	100.9
Daily Average Holdings of Cash Reserves	711.0	45.8	28.2
Required Cash Reserves	224.6	5.1	2.5
Excess/(Deficiency) Cash Reserves	486.4	40.7	25.7
Actual Securities Balances	162.0	12.0	-6.1
Excess/(Deficiency) Securities	162.0	12.0	-6.1

Table 6.8: Domestic Banks' Weighted Average Interest Rates

	Percent		
	Position as at Mar 2016	Changes During	
		Dec 2015 to Mar 2016	Dec 2014 to Mar 2015
Weighted Lending Rates			
Personal Loans	11.55	-0.04	-0.18
Commercial Loans	9.95	-0.06	-0.18
Residential Construction	7.87	-0.09	-0.30
Other	7.73	-0.11	-0.09
Weighted Average	9.93	-0.11	-0.19
Weighted Deposit Rates			
Demand	0.09	-0.01	-0.22
Savings/Chequing	2.57	0.01	0.00
Savings	2.38	-0.00	0.02
Time	2.36	-0.09	-0.03
Weighted Average	1.38	-0.08	-0.14
Weighted Average Spread	8.54	-0.03	-0.04

Table 6.9: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages At			Changes	
	Mar 2016	Dec 2015	Mar 2015	Mar 2016 over Dec 2015	Mar 2016 over Mar 2015
Weighted Lending Rates					
Personal Loans	10.47	10.54	11.44	-0.07	-0.97
Commercial Loans	9.75	9.87	9.97	-0.12	-0.23
Residential Construction	6.93	6.78	7.04	0.15	-0.11
Other	6.56	6.69	7.50	-0.13	-0.94
Weighted Average	9.56	9.60	9.90	-0.05	-0.35
Weighted Deposit Rates					
Demand	0.03	0.03	0.03	0.00	0.00
Savings/Chequing	1.14	1.33	1.61	-0.19	-0.47
Savings	2.19	2.10	2.08	0.09	0.11
Time	1.89	1.98	2.10	-0.09	-0.21
Weighted Average	1.71	1.84	2.04	-0.13	-0.33
Weighted Average Spread	7.84	7.76	7.86	0.08	-0.02

Table 6.10: Real Gross Domestic Product Growth Rates⁽¹⁾

	Year on Year Growth (%)	
	Jan-Mar 15 ⁽¹⁾ Over Jan-Mar 14 ^R	Jan-Mar 16 ⁽¹⁾ Over Jan-Mar 15 ^P
	Agriculture, Hunting and Forestry	12.6
Fishing	23.8	-78.8
Manufacturing (including Mining and Quarrying)	15.8	-12.1
Electricity and Water	-28.2	44.2
Construction	0.6	11.6
Wholesale and Retail	7.4	1.9
Hotels and Restaurants	2.6	4.5
Transport and Communication	1.3	4.9
Other Private Services excluding Financial Services Indirectly Measured	2.4	-0.1
Producers of Government Services	12.9	12.3
All Industries at Basic Prices	6.0	-2.9
Taxes on Products	11.9	3.1
GDP at Constant 2000 Prices	6.9	-2.0

Source: SIB

⁽¹⁾ constant 2000 prices – changes in percent

^R - Revised

^P - Provisional

Table 6.11: Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn	
	Quarter 1 2015 ^R	Quarter 1 2016 ^P
Agriculture, Hunting and Forestry	77.0	67.1
Fishing	36.4	7.7
Manufacturing (including Mining and Quarrying)	67.2	59.0
Electricity and Water	24.0	34.6
Construction	18.5	20.6
Wholesale and Retail	108.8	110.9
Hotels and Restaurants	37.6	39.3
Transport and Communication	75.7	79.4
Other Private services excluding Financial Services Indirectly Measured	107.9	107.8
Producers of Government Services	68.3	76.8
All Industries at Basic Prices	621.4	603.1
Taxes on Products	111.8	115.3
GDP at Constant 2000 Prices	733.2	718.4

Source: SIB

^R - Revised

^P - Provisional

Table 6.12: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	% Change				
		Jan 2016	Feb 2016	Mar 2016	Mar 2016 over Feb 2016	YTD 2016 over YTD 2015
Food and Non-Alcoholic Beverages	195	108.1	107.4	106.6	-0.7	1.0
Alcoholic Beverages and Tobacco	17	99.9	100.1	100.1	-0.0	-0.5
Clothing and Footwear	83	96.7	97.2	97.2	0.0	0.8
Housing, Water, Electricity, Gas, and Other Fuels	265	102.9	102.4	102.4	0.0	0.3
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.7	102.1	102.1	0.0	0.1
Health	41	112.0	113.4	113.4	-0.0	2.5
Transport	136	97.1	95.4	96.5	1.1	-4.1
Communication	33	96.9	98.2	98.2	0.0	-0.7
Recreation and Culture	69	106.7	106.4	106.4	-0.0	1.0
Education	32	103.6	103.5	103.5	0.0	1.4
Restaurants and Hotels	7	109.7	113.3	113.3	0.0	3.6
Miscellaneous Goods and Services	52	106.4	106.3	106.3	-0.0	3.6
All Items	1,000	103.2	102.7	102.8	0.0	0.2

Source: SIB

Table 6.13: Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)

	\$'000			
SITC Section	Jan-Mar 2015	Jan-Mar 2016	\$ Change	% Change
0. Food and Live Animals	47,687	56,523	8,836	18.5
1. Beverages and Tobacco	12,947	13,530	583	4.5
2. Crude Materials	8,360	9,407	1,047	12.5
3. Minerals, Fuels and Lubricants	67,823	41,427	(26,396)	(38.9)
Of which: <i>Electricity</i>	9,558	4,803	(4,754)	(49.7)
4. Oils and Fats	3,386	3,353	(33)	(1.0)
5. Chemical Products	42,916	41,348	(1,568)	(3.7)
6. Manufactured Goods	59,935	54,975	(4,960)	(8.3)
7. Machinery and Transport Equipment	104,312	119,523	15,210	14.6
8. Other Manufactures	35,361	35,758	397	1.1
9. Commodities not elsewhere specified	8	182	174	
10. Export Processing Zones	30,361	16,514	(13,847)	(45.6)
11. Commercial Free Zone	84,798	74,446	(10,352)	(12.2)
12. Personal Goods	1,310	538	(771)	(58.9)
Total	499,204	467,525	(31,678)	(6.3)

Sources: CBB and SIB

Table 6.14: Balance of Payments

	\$mn	
	Jan-Mar 2015 ^R	Jan-Mar 2016 ^P
CURRENT ACCOUNT	0.5	-56.1
Goods: Exports FOB	296.0	220.0
Goods: Imports FOB	455.9	429.3
Trade Balance	-159.9	-209.3
Services: Credit	288.6	314.2
Transportation	16.4	14.9
Travel	231.3	252.0
Other Goods and Services	29.5	39.8
Government Goods and Services	11.5	7.4
Services: Debit	98.6	101.4
Transportation	33.5	32.1
Travel	18.5	23.0
Other Goods and Services	41.0	40.0
Government Goods and Services	5.7	6.4
Balance on Goods and Services	30.0	3.6
Primary Income: Credit	3.5	3.5
Compensation of Employees	1.2	1.2
Investment Income	2.3	2.3
Primary Income: Debit	67.8	99.0
Compensation of Employees	4.6	3.5
Investment Income	63.2	95.5
Balance on Goods, Services and Primary Income	-34.2	-92.0
Secondary Income: Credit	53.2	58.5
Secondary Income: Debit	18.5	22.6
CAPITAL ACCOUNT	1.3	10.0
Capital Account: Credit	1.3	10.0
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	10.7	-17.5
Direct Investment Abroad	0.3	1.6
Direct Investment in Reporting Economy	48.7	59.5
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	76.4	-7.0
Other Investment Liabilities	17.2	-47.4
NET ERRORS AND OMISSIONS	23.8	38.9
OVERALL BALANCE	14.8	10.3
RESERVE ASSETS	14.8	10.3

Source: CBB

^R - Revised

^P - Provisional

Table 6.15: International Investment Position

	\$mn		
	Sept-Dec 2015	Jan-Mar 2016	Quarterly Change
Net position	-5,558.4	-5,581.5	-23.1
A. Assets	1,310.9	1,300.8	-10.1
1. Direct Investment Abroad	133.6	135.2	1.6
2. Portfolio Investment	57.0	50.1	-7.0
2.1 Equity Securities	9.0	9.0	0.0
2.2 Debt Securities	48.0	41.1	-7.0
3. Other Investment	246.8	247.4	0.5
3.1 Trade Credits	-1.3	-1.3	0.0
3.2 Loans	8.5	7.9	-0.6
3.3 Currency and Deposits	235.4	236.4	1.0
3.4 Other Assets	4.2	26.6	22.5
4. Reserve Assets	873.4	884.2	10.8
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	55.5	56.4	0.9
4.3 Reserve Position in the Fund	11.7	17.5	5.8
4.4 Foreign Exchange	788.5	791.9	3.3
4.5 Other Claims	17.7	18.5	0.8
B. Liabilities	6,869.3	6,882.3	13.0
1. Direct Investment	4,109.8	4,169.4	59.5
2. Portfolio Investment	1,053.0	1,053.0	0.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,053.0	1,053.0	0.0
3. Other Investment	1,706.5	1,659.9	-46.6
3.1 Trade Credits	2.6	3.0	0.3
3.2 Loans	1,624.8	1,608.6	-16.3
3.3 Currency and Deposits	75.6	46.7	-28.9
3.4 Other Liabilities	3.4	1.7	-1.7

Table 6.16: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan - Mar 2015	Jan - Mar 2016
Total Services	Net	190.0	212.9
	Credits	288.6	314.2
	Debits	98.6	101.4
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-17.1	-17.1
	Credits	16.4	14.9
	Debits	33.5	32.1
Travel	Net	212.8	229.1
	Credits	231.3	252.0
	Debits	18.5	23.0
Telecommunications, Computer and Information Services	Net	2.1	0.8
	Credits	4.3	4.3
	Debits	2.2	3.4
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-12.0	-13.0
	Credits	0.1	0.1
	Debits	12.2	13.2
Financial Services	Net	0.5	-2.7
	Credits	2.1	1.6
	Debits	1.6	4.4
Charges for the use of Intellectual Property, n.i.e.	Net	-0.6	-1.4
	Credits	0.0	0.0
	Debits	0.6	1.4
Other Business Services	Net	-1.3	16.4
	Credits	23.0	33.7
	Debits	24.3	17.4
Personal, Cultural and Recreational Services	Net	-0.2	-0.2
	Credits	0.0	0.0
	Debits	0.2	0.2
Government Services, n.i.e.	Net	5.8	1.0
	Credits	11.5	7.4
	Debits	5.7	6.4

Table 6.17: Private Sector External Debt by Economic Sector^(1,3)

Economic Sectors	Disbursed Outstanding as at 31/12/15	Transactions (December - March 2016)		Disbursed Outstanding as at 31/03/2016	
		Disbursements	Principal Payments Interest Payments		
Long Term:					
Agriculture	58,962	0	99	48	58,862
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	54,231	0	1,304	1,590	52,927
Economic Diversification	1,000	0	111	20	889
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,173	0	5	395	5,168
Financial and Insurance Activities	111	0	0	0	111
Fishing	94,628	0	1,821	585	92,807
Information and Communication	904	0	106	16	797
Real Estate Activities	1,274	0	16	7	1,258
Tourism Activities	40,351	0	88	1	40,263
Transportation	34,887	0	720	272	34,167
Wholesale and retail trade	1,086	0	0	2	1,086
Other	8	0	0	1	8
Total	294,511	0	4,271	2,935	290,240

⁽¹⁾ The loans only cover that portion of the private sector debt that is reported to the Central Bank of Belize

⁽²⁾ In compliance with legislation issued on 21st June 2011, the Government of Belize acquired Belize Electricity Ltd. (BEL) as a public entity. BEL is no longer a private sector entity, thus reflecting a reduction in disbursed outstanding debt (DOD) for the electricity and gas sector as of June 2011.

⁽³⁾ At the time of reporting not all companies have submitted their balance sheets to the Central Bank of Belize.

Table 6.18: Exports of Sugar and Molasses

	Jan-Mar 2015		Jan-Mar 2016	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	26,517	27,312	39,471	31,359
E.U.	25,927	26,669	39,126	30,953
USA	0	0	0	0
Caricom	591	643	344	406
Other	0	0	0	0
Molasses	3,937	960	6,903	1,578

Source: SIB

Table 6.19: Export Sales of Citrus Products

	Jan-Mar 2015		Jan-Mar 2016	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
U.S.A.				
Orange	4,898.0	11,185	3,080.8	7,513
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	2,076.1	6,737	1,901.4	6,184
Grapefruit	165.8	614	158.1	585
Europe				
Orange	460.6	1,404	204.1	590
Grapefruit	436.0	1,952	430.5	1,487
Other				
Orange	33.8	96	0.0	0
Grapefruit	60.0	244	30.1	108
Sub-Total ⁽¹⁾	8,130.3	22,232	5,805.0	16,467
Orange	7,468.5	19,421	5,186.3	14,287
Grapefruit	661.8	2,810	618.7	2,180
Not-From-Concentrate				
Sub-Total	18.6	105	13.0	72.1
Orange	14.6	80	9.7	56
Grapefruit	4.0	25	3.3	16
Total Citrus Juices	8,148.9	22,337	5,818.1	16,540
Pulp (pounds '000)				
Total ⁽¹⁾	724.6	549	372.7	280
Orange	724.6	549	319.7	240
Grapefruit	0.0	0	53.0	39

Source: CPBL

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

Table 6.20: Exports of Marine Products

	Jan-Mar 2015		Jan-Mar 2016	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	110	2,786	219.8	4,137.2
Shrimp	4,730	26,083	295.4	2,808.5
Conch	150	1709	182	2,096.2
Other Fish	90	184.0	186	189.7
Total	5,190	30,762	883	9,232

Source: SIB and CBB

Table 6.21: Banana Exports

	Jan-Mar 2015	Jan-Mar 2016
Volume (metric tons)	27,343	15,433
Value (\$'000)	31,233	17,634

Source: BGA

Table 6.22: Petroleum Exports

	Jan-Mar 2015	Jan-Mar 2016
Volume (Barrels)	67,936	66,990
Value (\$'000)	6,341	3,357

Source: Petroleum and Geology Department

Table 6.23: Other Major Exports

	Jan-Mar 2015	Jan-Mar 2016
Other Miscellaneous Exports (\$'000)	21,538	19,917
Of which:		
Papaya		
Volume ('000 lbs)	9,493	3,104
Value (\$'000)	3,575	1,868

Sources: SIB and CBB

Table 6.24: Central Government Domestic Debt by Creditor⁽¹⁾

	\$'000					
	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH MARCH 2016			Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 30/03/16 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest		
Overdraft/Loans	63,759	0	0	1,513	(5,505)	58,254
Central Bank	63,759	0	0	1,513	(5,505)	58,254
Domestic Banks	0	0	0	0	0	0
Treasury Bills	200,000	0	0	21	0	200,000
Central Bank	24,996	0	0	1	(7,577)	17,420
Domestic Banks	149,982	0	0	17	11,973	161,955
Other	25,022	0	0	2	(4,396)	20,625
Treasury Notes	225,000	40,000	0	3,579	0	265,000
Central Bank	157,026	40,000	0	2,318	750	197,776
Domestic Banks	0	0	0	0	0	0
Other	67,974	0	0	1,260	(750)	67,224
Atlantic Bank Limited	241	0	89	5	0	153
Heritage Bank Limited	2,374	0	154	59	0	2,221
Belize Social Security Board	395	0	10	8	0	385
Fort Street Tourism Village	355	0	187	0	0	168
Debt for Nature Swap	2,320	0	0	0	0	2,320
Total	494,445	40,000	439	5,184	(5,505)	528,500

^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.

Table 6.25: Central Government Revenue and Expenditure

	Approved Budget 2015/2016	Jan 2015 to Mar 2015	Jan 2016 to Mar 2016	Apr 2014 to Mar 2015	Apr 2015 to Mar 2016 ^P	Fiscal YTD as % of Budget
						\$'000
TOTAL REVENUE & GRANTS (1+2+3)	980,258	270,006	248,439	1,005,594	1,000,724	102.1%
1). Current Revenue	934,879	267,456	246,357	960,800	972,886	104.1%
Tax Revenue	818,116	241,177	223,368	849,363	864,299	105.6%
Income and Profits	261,861	75,217	67,450	273,830	255,643	97.6%
Taxes on Property	5,337	1,791	1,972	5,532	5,457	102.3%
Taxes on Goods and Services	339,106	94,137	92,291	345,516	354,371	104.5%
International Trade and Transactions	211,813	70,031	61,654	224,485	248,827	117.5%
Non-Tax Revenue	116,763	26,280	22,989	111,437	108,588	93.0%
Property Income	19,546	790	5,657	12,648	36,905	188.8%
Licences	12,279	4,106	4,746	12,240	14,014	114.1%
Other	84,938	21,383	12,586	86,549	57,669	67.9%
2). Capital Revenue	4,810	1,291	777	5,627	6,259	130.1%
3). Grants	40,569	1,259	1,305	39,167	21,579	53.2%
TOTAL EXPENDITURE (1+2)	1,068,266	333,232	298,247	1,135,704	1,260,823	118.0%
1). Current Expenditure	873,517	230,474	249,856	839,324	910,586	104.2%
Wages and Salaries	367,781	85,538	97,363	338,097	384,012	104.4%
Pensions	59,667	15,810	19,485	64,411	77,199	129.4%
Goods and Services	211,504	63,486	58,768	198,534	197,246	93.3%
Interest Payments on Public Debt	90,289	34,288	36,640	87,485	91,317	101.1%
Subsidies and Current Transfers	144,276	31,352	37,600	150,797	160,812	111.5%
2). Capital Expenditure	194,749	102,757	48,391	296,380	350,236	179.8%
Capital II (Local Sources)	97,785	36,256	24,055	118,829	99,623	101.9%
Capital III (Foreign Sources)	94,368	65,866	23,726	169,759	160,772	170.4%
Capital Transfer and Net Lending	2,596	635	610	2,792	89,842	3,461.2%
Unidentified Expenditure				5,000		
CURRENT BALANCE	61,362	36,982	(3,499)	121,476	62,300	101.5%
Primary Balance	2,281	(28,938)	(13,168)	(42,625)	(168,781)	-7,398.3%
OVERALL BALANCE	(88,008)	(63,226)	(49,808)	(130,110)	(260,099)	295.5%
Primary Balance less BCB award	(38,288)	(28,938)	(13,168)	(42,625)	(81,691)	213.4%
Overall Balance less BCB award	(128,577)	(63,226)	(49,808)	(130,110)	(173,009)	134.6%
FINANCING	88,008	63,226	49,808	130,110	260,099	
Domestic Financing		(10,160)	43,314	29,764	336,778	
Central Bank		(8,071)	31,930	12,047	313,910	
Net Borrowing		(9,301)	24,877	20,646	104,323	
Change in Deposits		1,231	7,053	(8,600)	209,587	
Commercial Banks		(5,408)	(10,017)	(1,528)	23,512	
Net Borrowing		(3,706)	(6,284)	(5,487)	4,233	
Change in Deposits		(1,702)	(3,733)	3,959	19,279	
Other Domestic Financing		3,319	21,401	19,245	(644)	
Financing Abroad		26,598	(13,098)	105,856	65,489	
Disbursements		43,827	4,777	173,745	140,404	
Amortization		(17,229)	(17,874)	(67,889)	(74,916)	
Nationalization of BEL					(70,221)	
Nationalization of BTL					(65,088)	
Other		(6,686)	2,221	(5,510)	(6,859)	

Sources: CBB and MOF

^P - Provisional

Table 6.26: Public Sector External Debt by Creditor

\$'000

	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH MARCH 2016				Disbursed Outstanding Debt 30/03/16 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,270,870	9,839	17,874	31,434	561	2,263,397
Government of Venezuela	373,269	5,360	2,526	1,087	-0	376,103
Kuwait Fund for Arab Economic Development	17,710	0	0	0	103	17,813
Republic of China	249,150	0	8,537	1,831	0	240,613
Caribbean Development Bank	227,202	3,208	4,066	1,414	0	226,343
Caricom Development Fund	2,398	0	195	31	0	2,203
European Economic Community	8,893	0	0	0	414	9,307
Inter-American Development Bank	239,026	0	1,975	515	0	237,050
International Fund for Agriculture Development	2,685	0	0	0	45	2,729
International Bank for Reconstruction and Development	25,290	1,272	0	0	0	26,562
Opec Fund for International Development	47,925	0	396	141	0	47,528
Central American Bank for Economic Integration	24,317	0	179	89	0	24,139
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	16,499	412	680	106	4	16,236
Kuwait Fund for Arab Economic Development	658	0	0	0	4	662
Caribbean Development Bank ⁽¹⁾⁽²⁾	15,841	412	680	106	0	15,574
FINANCIAL PUBLIC SECTOR	64,209	4,000	200	101	833	68,842
Caribbean Development Bank	14,466	4,000	200	101	0	18,266
European Economic Community	149	0	0	0	7	156
International Monetary Fund ⁽³⁾	49,593	0	0	0	826	50,420
GRAND TOTAL	2,351,578	14,252	18,754	31,640	1,399	2,348,474

^R - Revised^P - Provisional

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

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

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