

Bze
U/F
757

THE FINANCIAL SYSTEM IN BELIZE

1965 - 1982

MAYDIA LUBEN

Paper presented at the Fifteenth Annual Regional Monetary
Studies Conference, Bridgetown, Barbados, October 12-14, 1983

Research Department
Central Bank of Belize

THE FINANCIAL SYSTEM IN BELIZE 1965 - 1982

C O N T E N T S

	<u>Page</u>
1. Introductory Remarks	1
2. Overview of the Economy	3
3. Non-banks	9
i) Insurance Companies ✓	9
ii) Building Society ✓	11
iii) Government Savings Bank ✓	13
iv) Cooperatives and Credit Unions ✓	17
v) Development Bank ✓	23
4. Banks	27
i) Commercial banks ✓	27
5. The Unorganized Money Market	31
6. ✓ Central Monetary Authority and The Adjustment Process	34
7. Concluding Comments	42
Sources/References	
Appendix Tables	

The views expressed in this paper are those of the author and do not necessarily reflect those of the Central Bank of Belize.

INTRODUCTORY REMARKS

Assessing Belize's financial institutions is a challenging and rewarding exercise. The traditional secrecy surrounding monetary transactions compounds the problem of working with a weak data base. Part of the explanation for the inadequate state of the statistics available lies in the destruction of the country's records in 1961 by Hurricane Hattie and the confusion that prevailed for a few years thereafter. Moreover systematic data collection and dissemination did not begin in earnest until the establishment of the Monetary Authority of Belize in 1976 (Central Bank of Belize since 1982). This undesirable state of affairs has persisted despite the Statistics Ordinance of 1964.

Notwithstanding the slow start, there has been considerable progress in the collection of data from the banking institutions, since these institutions are within the group specified as answerable to the Central Bank. And efforts to gather data from the Government Savings Bank, the cooperatives and credit unions, and the building society have been aided by cooperation. The insurance companies represent the institutional group where least success has been witnessed. To date, very little information on the insurance companies is available, and we can only hope that pledges to surrender information will be honored shortly. It should be noted at this point that despite willingness to assist on the part of most institutions, the data collected is still somewhat incomplete. But what is available will be utilized in the attempt to portray the salient features of Belize's financial system.

While stressing the weakness of the data base, I must at the

same time express thanks to Mr. Francis Arana, who has worked with me on this paper and is mainly responsible for the collection and organization of the available data.

All tables are contained in an appendix to the paper.

All figures are quoted in Belize dollars. Since 1976 BZ\$1.00 equal US\$0.50.

OVERVIEW OF BELIZE

Belize is a newly independent nation in Central America. Mexico in the north and Guatemala to the west constitute her frontier partners while the Caribbean Sea provides 174 miles of lovely coastline to the east. Central American location, notwithstanding, a common legacy of slavery and British colonialism account for Belize's strong ties with the other territories of the Commonwealth Caribbean.

The territory of Belize encompasses some 8868 square miles, the northern half of which is swampy coastal plain. The southern half is for the most part mountainous and forested. Approximately 150,000 people occupy Belize's beautiful lands, making for a population density of some 15 persons per square mile and a per capita income of US1070 . In spite of its low density and high per capita income, Belize still experiences urban congestion problems in the commercial (and formerly official) capital of Belize City where one-third of the population resides. Belize City also represents the focus of the rural-urban migration with its attendant problems.

Belize has about 2.2 million acres of arable land of which less than 15 percent is under cultivation for pasture or crops. The economy is agriculture-based with sugar, bananas and citrus, being the main products. Light industry and incipient tourism account for less than 10 percent of GDP, while agriculture and agriculture-based products contribute 25 percent to GDP and 40 percent to exports. A further breakdown of the figures for agriculture show the economy to be heavily dependent on foreign exchange earnings from sugar. Citrus and bananas

are also foreign exchange earners and like sugar, have access to preferential markets in the USA, the UK or the CARICOM region. Belize's openness and dependence are further manifested in its import bill, 25 percent of which is for food. Ergo, Belize is a typical post-colonial peripheral economy, producing for the metropolises what it will not consume and consuming what must be purchased from the metropolises.

The Belizean economy was founded on and grew around the timber industry. Indeed timber was the mainstay of the economy until the middle of the present century. As timber production declined in the late 50's the citrus industry took its place as leader in the economy. The citrus industry's lead, however, was shortlived, for sugar emerged as the most successful sector in the mid-60's and has retained its position to the present. There is hope of greater exploitation of the nation's 3.3 million acres of forests in the future. Tourism and deepsea fishing, also have potential to become significant foreign exchange earners, given the resources of the 174-mile barrier reef.

Foreign exchange is a prerequisite for the survival of the Belizean economy. As mentioned earlier, food imports are some 25 percent of the import bill. Fuel accounts for another 20 percent of the import bill with raw materials and machinery making up another 25 percent. The ratio of exports to GDP is about 80 percent while that for imports is close to 90 percent. Re-exports, the volume of which before the Mexican devaluations of 1982, was some 30 percent of total exports, also emphasise the importance of foreign-transactions in the economy. Extremely limited human, physical and financial capital serve to maintain

the economy's openness and perpetuate its dependent state in the world economy.

Growth of 5 - 7 percent witnessed in the Belizean economy during the decade of the 70's gave way to stagnation at the turn of the decade. Belize's high growth rates in the 1970's and its bleak economic outlook at present testify that what Belize enjoyed during the 70's were the spread effects of dependent growth. The current ills of the economy - depressed prices for primary exports, lagging investment and low inventories - are the more obvious symptoms of a greater problem - a failure to transform growth into a self-sustaining development process.

The central problem of the economy of Belize seems to lie in its external dependence. This dependence is manifest in every aspect of life. First there is the demographic dependence. There are just too few Belizeans in too many fragmented communities in the country. Hence the sugar and citrus industries need to import labor seasonally. A further point in this regard is that there is a shortage of skilled and/or trained personnel in the country; these too must be imported. Secondly, there exists social and political dependence. There is still evidence of the colonial mentality which postulates that things local are bad, and things foreign are good. Externally - imposed thought and taste patterns have been accepted as the norm and permeate the society's consciousness. Independent status being a recent phenomenon, there are still signs of a tendency to remain "safe" in the political folds of our traditional trading partners, the United States of America and the United Kingdom. Most important is the degree of economic and monetary dependence displayed. There is the causative and cumulative process whereby production of those

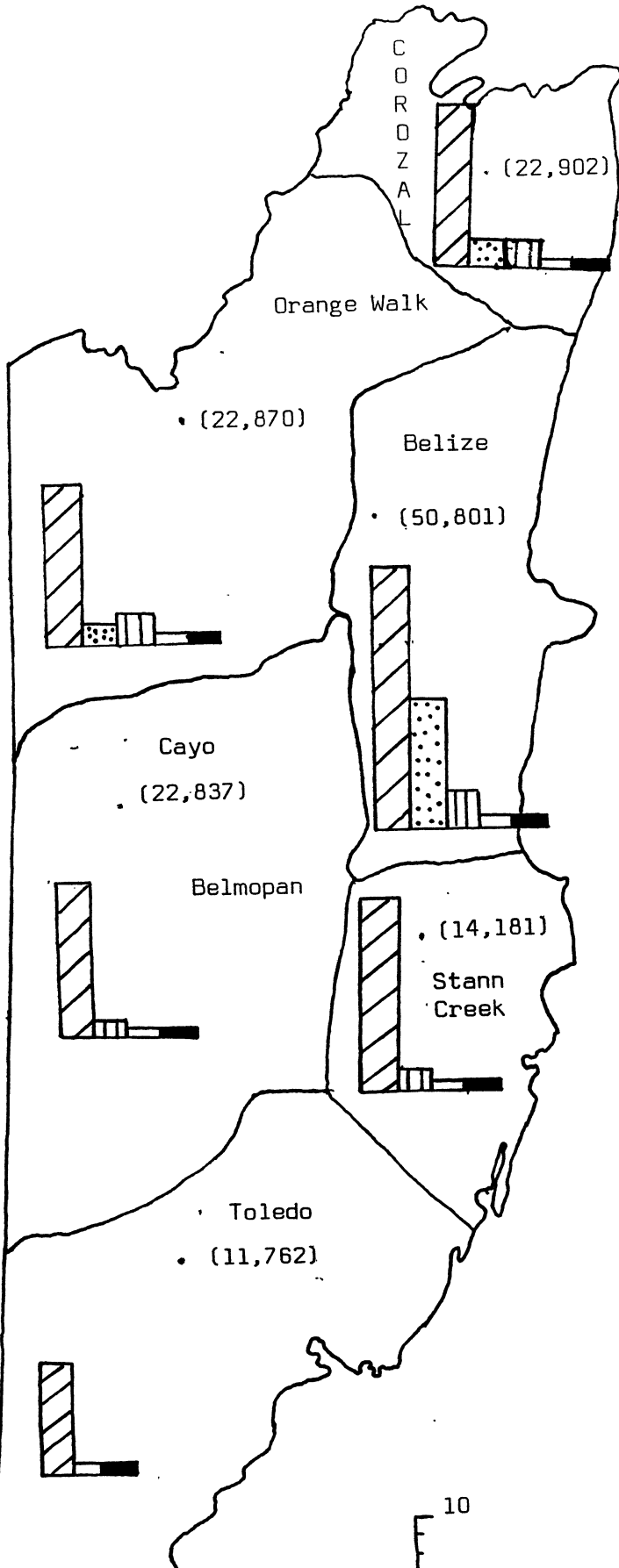
goods demanded by the metropolises attracts and reinforces foreign financial institutions and even where the financial institutions are local, there is still the reliance on external sources for finance capital. To date there has been too much reliance on what the outer world would offer Belize and too little stock-taking of what Belize could create or generate with her own resources.






We now turn to the financial institutions in Belize to assess their growth over the years and their potential for releasing Belize's internal dynamic and reducing her external dependence. The question is whether Belize's financial institutions can make for a vibrant, diversified and independent economy. The review period is 1965 - 1982. The survey starts at the year 1965 because of the data constraint explained earlier and the proliferation of financial institutions witnessed thereafter.

There are some seven types of financial institutions in Belize. In the category designated as banks there are four commercial banks with a network of 16 branches throughout the 6 districts of Belize. The non-bank sector is more diversified. There are 15 insurance companies, all with offices in Belize City and three maintaining branch offices in the wealthier northern districts. The sole building society in the country has its location in Belize City, while the one existing development bank maintains its headquarters in the capital Belmopan and small divisional offices in each district. Unlike the practise elsewhere, the Government Savings Bank is not at the Post Office, but is an adjunct of the Government Treasury. The Savings Bank also utilizes offices of the 5 District Accountants for tapping rural savings. Cooperatives

and credit unions abound, numbering more than a hundred for the whole territory. Credit unions, in essence credit cooperatives operating under special laws, number 42, while agricultural and fishing cooperatives total 64. Most interesting are the unorganized monetary institutions encompassing such disparate features as syndicates, pawnbrokers, loan sharks, store creditors and illegal transactions. Given the above, Belize, with some 150,000 people scattered in villages and towns over 8866 square miles of land, clearly displays a high density of financial institutions. We now proceed to examine the growth and operations of these institutions and assess their implications for the general development of Belize.

Density And Concentration
Of Financial Institutions



-  Credit Unions & Cooperatives
-  Insurance Companies
-  Commercial Banks
-  D.F.C.
-  Government Savings Bank

(Population)

NON-BANKS

Insurance Companies

There are 15 insurance companies operating in Belize; six of these are local companies, while three agencies conduct business for 6 multinational insurance companies. The dominance of the foreign element in the insurance sector is under-scored by the fact that the local companies reinsure locally-issued policies outside of Belize.

The insurance companies operate in accordance with the Insurance Ordinance of 1975 which is enforced by the Supervisor of Insurance in the Ministry of Finance. Under this Ordinance a local company is one incorporated under and subject to the Local Companies' Ordinance. Foreign companies become eligible for operation in Belize with the registration of their location, mode of business and principal provided they are legally incorporated elsewhere and have been in business for at least two years. To register, a company need only deposit a minimum of ten percent of the previous year's premium income or a thousand dollars, whichever is higher. The Ordinance also stipulates that to be registered, local companies must have a minimum paid-up share capital of not less than \$100 thousand. The relevant figure for foreign companies is \$500 thousand. All companies are required to maintain a statutory fund and to have local assets in Belize equal to at least 50 percent of the liability in the statutory fund. The companies should also invest in Belize an amount equal to at least ten percent of the liability in the statutory fund.

The Insurance Ordinance also states that the local companies

should furnish complete, audited financial statements to the Supervisor of Insurance. Their foreign counterparts are required to submit a record of local policies issued, an aggregate figure for premiums received on local policies, and documentary evidence of assets maintained in the country. The discrepancy between depth of information requested for local and foreign companies exists on the supposition that foreign companies prepare group/global statements and hence are unable to prepare individual accounts.

The Insurance Ordinance provides for the release of data by the insurance companies operating in Belize. Indeed there is a clause declaring that the Supervisor may demand any information he considers necessary from the registered companies. Nevertheless, information on the insurance companies is sparse and imprecise. The Supervisor maintains that lack of staff necessary to enforce the Ordinance is responsible for the cloud of uncertainty in the area.

Many issues need to be addressed in connection with the operations of the insurance companies in Belize. For example, do they provide adequate insurance cover for persons and firms in Belize? How are their asset and investment portfolios arranged? What is the distribution of premium income between life and non-life policies? How does allocation of local and foreign assets take place? How long have these companies been in operation? What growth patterns have they demonstrated? And, more importantly, how have they impacted upon the wider economy? There is a great deal we would like to know and say about the insurance companies in Belize.

Building Society:

The building society is a rather recent entrant on Belize's financial scene. The first, the Belize National Building Society was established in April of 1982. The architects of the Society hope that the Society can become an instrument for transforming the slum areas of Belize City and meeting a general pressing need for improved housing in the country.

The Society operates savings account to which lodgements of not less than \$2.00 can be made. Withdrawals from the Savings accounts are usually allowed on demand though the Society reserves the right to require thirty days' notice of withdrawal. Interest is compounded annually at 5½ percent on regular savings. In addition to providing a repository for savings the Society also serves as an investment outlet. The Society offers fully-paid up or 'P' shares, scrip deposits, and fixed deposits to potential investors. 'P' shares are sold in blocs at \$100.00 each with a minimum of ten shares per account with current interest paid on these being 7 percent per annum. Scrip deposits are accepted with a minimum of \$2000 at the outset and multiples of \$1000 thereafter. The essential differences in the 'P' shares, scrip deposits and fixed deposits seem to be the minimum deposits required and the interest paid on them. Unlike 'P' shares, scrip and fixed deposits have a complex interest structure which varies the applicable rate with the size of the deposits and the length of time for which the deposits are lodged with the Society.

After one year in operation the Society reported that it had 77 middle-income shareholders owning 82 percent of total savings of

\$30,336. There were 31 low-income savers with claims to 10 percent of the Society's savings, while interest earned would constitute the remaining 8 percent. Operating expenses for the first year were high at \$10.612 or one-fourth of revenue, but these costs, being primarily printing and promotional expense incurred initially, should be reduced in subsequent years.

The first financial statement for the Society (Table 1) shows that \$23,305, or 84 percent of total assets, consists of fixed deposits at the commercial banks. The liabilities sheet underscores the low profile of ordinary savers in the institutions. Savings at \$4,133 account for only 13.1 percent of total liabilities, while shareholders' equity of \$26.617 represents 84.3 percent.

Given that to date the Society has issued no loans and has such a low amount of savings relative to shareholders' equity, some questions spring to mind. Does the Society not constitute primarily an investment outlet for middle-income members? More significantly, can the Society achieve its stated (and implicit) aim of providing loans by way of mortgage for the building of homes and carrying out of home improvements (by those members of the Society most in need of such)? While the youth of the institution is noted there are some pertinent reasons for asking these questions.

It would seem that the origins of the Society pose a problem for its future. Belize, a post-colonial society, evinces traces of political and religious factions. Sixty percent of the country's population being Roman Catholic could probably explain low

subscription to a Society managed by an Anglican minister. The presence of a large established Roman Catholic credit union providing loans for home improvement may also be part of the answer. Of possible significance, too is the political persuasion of prominent members of the Society's Board of Directors. Obviously these are subjective judgements. It could be that the Society's slow growth is explained by more objective factors such as general ignorance of its existence or aims in the wider society, financial inability of citizens to make use of its services, or the low ceiling of \$15,000 on loans that may be granted to individuals. Perhaps it is best to wait for the Society's future to unfold before offering further comment on its long-term viability.

However, we can close by pondering whether long-term potential of the institution lies in a plan to attract overseas funds from two sources. Firstly there are moves afoot to attract savings from Belizeans living abroad but desirous of owning a home in Belize. In the second instance the Society hopes to secure loans from US Agency for International Development which it will use to build houses. These houses would then be sold or mortgaged to Belizeans at home or abroad. Either of these plans would enhance the viability of the Society, but their success or failure at this time is uncertain.

Government Savings Bank

The Government Savings Bank was opened in 1938 with its Head Office in the Government Treasury in Belize City and five districts branches in the offices of the District Accountants. (District Officers prior to 1982). The Savings Bank was established along guidelines set

out in a 1935 Report of the Committee appointed by the Secretary of State for the Colonies to examine the Savings Bank Systems in the Colonies. Over the years the charter of the Savings Bank has undergone minimal alteration.

The Savings Bank was intended primarily to provide a savings institution for those members of the community with savings too small for individual deposits at a commercial bank. The Savings Bank would have served the two-fold purpose of allowing the practice of thrift to develop and providing the wherewithal to harness the liquid funds of the low income groups in the community.

Deposits of not less than one dollar can be made at any of the offices of the Savings Banks. There is also a ceiling on deposits with \$40,000 being the limit for individuals and \$60,000 that for friendly or charitable societies. Members are allowed to hold only one account and to use only one office for withdrawals and deposits. Deposits of members are guaranteed by the Central Government. There is provision for funds to be used out of the Government General Revenue to meet depositor's claims. In view of this latter fact, it is interesting to note that the Ordinance states that deposits at the Savings Bank cannot be used as a security for other loans.

Interest paid on deposits of shareholders is kept low supposedly to allow thrift among the lower class, to reduce the risk of attracting hot money and to avoid competing with the commercial banks. The basic criterion for determining interest rate paid to depositors is the long-term earning power of assets of the institution. Other

relevant factors would be a rate that would allow the institution to be self-supporting and ensure stability of depositors' assets. Stability in the interest rate was definitely achieved, the rate having been changed only thrice - raised to 3 percent in 1938, 4 percent in mid-70's and 6 percent in 1980. The Savings Bank pays interest annually and such interest when added to an account becomes part of the principal of that account.

The Savings Bank Ordinance displays some very colonial features. For instance, it is stated that monies of the institutions "shall not be applied in any way to the purposes of British Honduras" (sic). Instead the monies of the Savings Bank are to be kept in the Colonial Treasury or invested in London. Also the Savings Bank should keep two-thirds of its assets in sterling securities and not more than one-third in Government of Belize securities or debentures.

The assets and liabilities' structure of the Government Savings Bank has undergone some change over the years 1967 - 1980 (Table 2). On the liabilities' side, from 1967 - 1971 there were gradual but small decreases of not more than 5 percent in level of deposits. The decline was arrested in 1972 with an erratic but positive growth trend (ranging from 0.8 to 31.0 percent) visible until 1977 when another large decline of 34 percent was seen. The two years 1978 and 1979 both saw thirty percent growth which was reversed by a 13 percent decline in 1980. Until 1977 deposits of the institution were close to and often exceeded 90 percent of total liabilities. At the end of 1980 we see deposits as a percent of liabilities being 75 percent and the surplus account (profit or capital) registering 25 percent.

The assets' side of the balance sheet also provides interesting details of the Savings Bank's operations. Government debentures have remained safely within the 33 percent legal requirement as a percentage of total deposits of the institution. After a 67 percent rise in 1970 to \$720 thousand, holdings of Government debentures declined to \$645 thousand by 1974 and have remained at that level since. Sterling requirements, however, are not being maintained in the asset portfolio. From an average of 70 percent between 1967 and 1977 sterling investments declined to 20 percent of the total assets in 1980. By contrast cash with the Accountant General has risen remarkably over the last three years of the review period and in 1980 accounted for some 70 percent of total assets and 91 percent of total deposits. Such high cash balances are difficult to rationalize, illiquidity afforded by Government guarantee of deposits being a regular feature of most Savings Banks. Unless a run on the Bank is expected, it is hard to understand the presence of these large cash balances.

Another questionable item on the Savings Bank balance sheet is the suspense account. This account is used to declare unreconciled balances. After being insignificant for some seven years this account averaged \$4.8 thousand between 1973/78 then jumped to \$40 thousand in 1979. Unlike the deficit of 1967/69 which was a temporary feature reflecting a loss in sterling investments occasioned by the British pound devaluation of 1967, the unexplained balances' account is growing and taking on a look of permanence. Failure of the Auditor General to certify the accounts of the Savings Bank since 1978 and failure of the Savings Bank to produce any financial statements since 1980 provide further room for concern about the Savings Bank's

operations.

While it is acknowledged that profit is not the primary goal of the Savings Bank, one would hope that explanation does not also serve to justify the declining fortunes of the Saving Bank. The Savings Bank assets as a proportion of commercial bank assets have declined from 13.7 percent in 1967 to 3.0 percent in 1980. In a similar vein Savings Bank deposits as a percentage of GDP have gone down from 2.5 percent in 1972 to 1.3 percent in 1980. It would appear that the economy is growing faster than the Savings Bank and that the commercial banks might have attracted depositors away from the Savings Bank, once their income brackets had changed.

One wonders if the institution would not fare better if it were taken out of the Government Treasury and established as a separate institution. In addition to improving efficiency, such a move would probably make for an improved accounting system and a more vibrant role of the Savings Bank in the financial system.

Cooperatives and Credit Unions

From a social and cultural viewpoint the cooperative societies in Belize probably constitute the most interesting group of financial institutions. The first credit cooperative was formed in 1943 in the southern district of Toledo by a Jesuit priest. The second was founded in Belize City in 1944 and has grown considerably since with assets almost equal to those of one of the commercial banks. Laws to regulate the establishment and operations of credit cooperatives were set out in 1947 while those for general cooperatives were enacted in

1948. The object of a cooperative was cited as the promotion of the economic interests of its members. The credit unions' objectives were listed as promotion of thrift, receipt of savings as payment on shares or as deposits, and granting of loans for provident or productive purposes.

Cooperatives need to have ten members (condition waived if another society is a member) and to display economic viability before they can become registered with the Registrar of Cooperatives and Credit Unions. It is further required that members of a credit union have some common bond, either geographical, economic or occupational. A registered society becomes a body corporate with unlimited liability, unless another society is a member, in which case liability is limited. Members of a society are allowed to be members of only that society, and no society may accept deposits from or make loans to persons who are not members. A Society also has lien on shares and deposits of a member to whom a loan has been granted. Each member of a society is entitled to one vote at Annual or special meetings (no proxy voting allowed except for societies), and no one member may hold more than one-fifth of the share capital of a society. For a society with unlimited liability a member may not transfer his shares unless he has held them for a year, or unless they will be transferred within the society. Liability of a member ends two years after the demise of a society, provided the Society has not been terminated without the consent of the Registrar of Cooperatives and Credit Unions.

The powers of credit and general cooperatives display some interesting differences. General cooperatives (fishing, producers,

agricultural, marketing) can invest or deposit any amount of funds in the Government Saving Bank, the commercial banks, Government securities, or other societies. General cooperatives can also borrow any amounts of money as may be approved by the Registrar (approval a prerequisite when loans are from other societies). The credit societies are allowed to make deposits in the Government Savings Bank or in the commercial banks, but are prohibited from investing more than 25 percent of their capital in stocks, debentures, or securities. Credit cooperatives also have powers to borrow and to make loans to other credit unions or cooperatives. Borrowing of the credit societies is limited to 25 percent of their combined capital and surplus and deposits with a vote of three-fourths of its Directors or fifty percent of same with a vote of three-fourths of its members with majority shares. The Credit Committees of the credit unions are responsible for making unanimous decisions on loans made by the Societies.

The Credit Committees of the credit unions supervise loans and fix interest on loans, using shares or deposits (or other requested collateral) as security for loans. Interest charged on loans cannot exceed one percent per month on unpaid balances. There are also legal stipulations on the dividends that may be declared by cooperative societies - 6 percent for credit and 10 percent for general societies. Dividends are declared only after contributions are made to reserve and educational funds. For the credit societies the mandatory contributions are 10 percent of assets and 5 percent of investment income, respectively, while for other cooperatives the relevant figures are 25 percent of profits and 10 percent of remaining profits when general reserve requirements have been met.

In 1978 there were 136 registered societies in Belize of which 51 percent were dormant. Dormancy was most prevalent in producers' societies which floundered as a result of inadequate income, movement of members into larger more established societies and the growth of more attractive marketing and employment opportunities. The highest success rate was recorded among the marketing and/or fishing cooperatives that had located lucrative foreign markets for their produce of fish, conch, shrimp and lobster. Indeed so marked was the progress of these cooperatives, most of which were formed in the 1960's, that they now record sales of produce to the local market as a loss on their income statements. Credit cooperatives, though growing as a movement, also experienced a high failure rate believed to be caused by a poor record of financial administration, especially as regards supervision of loans. The credit cooperatives generally had difficulties typical of attempts to mobilise and allocate savings among the same people in the same location.

Despite the high dormancy and failure rates of cooperative societies, membership in the movement is relatively high (was 31,363 for active societies in 1978) and share capital is also showing regular healthy increases. Loans and grants from the DFC and overseas institutions coupled with intra-societal loans have made it possible for share capital and loan portfolios of these institutions to grow. The credit needs of the rural areas also account for the proliferation of cooperative societies. The societies had the advantages of convenient location, simple procedures for loans and deposits, low costs of operation (voluntary service is the norm) and the dominance of repayment capacity over credit-worthiness in loan decisions. Given that

there are 168 villages scattered about Belize's 8866 square miles and that these villages often lack financial infrastructure, 42 credit unions and 64 agricultural cooperatives may be the only feasible answer to the finance and credit requirements of the rural areas. The role of the cooperatives in monetising the rural areas of the economy becomes more evident when one thinks of the southern-most district of Toledo where there are no commercial banks and only one office of the Government Savings Bank in the district capital.

In addition to facilitating the monetisation of the rural economy, the cooperative societies have taught some important lessons to a colonial, underdeveloped society. The success of cooperative societies has reinforced three fundamental ideas in the minds of Belizeans, especially among the low-income groups most apt to question these truths. Firstly the idea that thrift is always possible took root with the establishment of financial institutions where deposits of small fractions of a dollar could be made. The second-important lesson was gleaned from the members' ability to utilize extremely small deposits to make relatively substantial loans to the very members who owned the savings, namely that the small man can handle his financial affairs. This realization was important for a colonial people conditioned into believing foreign control was a necessary condition for proper management. The third significant morale of the cooperatives in Belize was that money could be an instrument to bring men together and to highlight the practicality of the brotherhood of man.

Table (4) shows the distribution of assets of cooperatives by district. The dominance of the Belize District figures is a reflection

of the successful operations of four fishing cooperatives with export markets. The figures for the northern sugar districts and the citrus area of Stann Creek are probably understated due to the non-inclusion of assets for the Cane Farmers' and Citrus Growers' Associations. For these institutions while functioning very much like cooperatives, are treated separately and operate with their own laws. It is believed that the assets of these institutions if included would significantly alter the asset figures for these areas. The slow growth of asset figures for the Toledo District mirror the vagaries of corn and rice production taking place there. Though not detailed enough, this table does give some idea of the strength and importance of the cooperative movement in the economy of Belize what with assets growing from \$126 thousand in 1963 to \$18.4 million in 1982.

Holy Redeemer Credit Union

The credit union that has set the pace for all others in the economy of Belize is without doubt the Holy Redeemer Credit Union (HRCU). The HRCU has grown from 101 members in 1944 with assets of \$1.1 thousand to 20 thousand members in 1982 with assets of \$13 million. Indeed assets of the HRCU represent close to 90 percent of total assets of existing credit unions. Located in Belize City and intended originally to serve members of the Holy Redeemer Parish, the HRCU is now a national phenomenon. Though the majority of its members are Belize City residents, the credit union has members from other districts and even has other cooperative Societies on its register. Over time, the assets' and loans' portfolios (Tables 6, 7, 8) of the HRCU have grown to bear closer and closer resemblance to those

of a commercial bank.

Development Bank

A group of Belizean businessmen got together in the early 60's and formed the Development Finance Corporation (DFC). The DFC was the answer provided to a pressing need for long-term development capital in the country. The DFC Ordinance states the objectives of the DFC as being: "to expand and strengthen the economy of Belize by providing financial assistance for development of enterprises, by promoting and facilitating private capital investment". The DFC has the task of providing finance for the development of agriculture, forestry, fishing, industry, tourism, housing and public utilities. With an authorised share capital of \$4 million and Government backing for its activities, the DFC attempted to bridge the gap for medium and long-term finance in the economy of Belize.

The DFC commenced operations in 1963 and issued its first report in 1965. Assets and liabilities for the institution (Tables 9 and 10) show that its progress was steady but slow. Between 1965 and 1972 total assets had only grown from \$187 to \$747 thousand while loans and advances had moved from \$26 to \$551 thousand. Consequently, in 1973 the Government purchased all old DFC shares from private shareholders and reconstituted the Corporation. The underdeveloped and narrow local capital market led the new owners of the DFC to look overseas for finance. An indeed it might be fair to begin a study of this institution in the year 1973 when these changes were made. Since then the institution has grown by leaps and bounds with assets growing from \$4 million in 1973 to \$32 million in 1982. Loans and advances also

increased tremendously from \$2.9 million to \$25.8 million between the years 1973 - 1982. Underlying the phenomenal rise in loans has been a concomitant rise in foreign liabilities from \$0.2 million in 1973 to \$23.9 million in 1982. External funding also made possible a healthy growth in the share capital of the DFC. Grants from CIDA enabled the DFC to build up its equity and at present has become a more worthy debtor for loans from other sources.

External funds for the DFC have been secured from a multiplicity of institutions and organisations. Some of these are Caribbean Development Bank, European Development Fund, United States Agency for International Development, Canadian International Development Agency, Commonwealth Development Corporation, CARE and the United Kingdom Government. In spite of the high number of institutions involved in funding the DFC, however, the CDB stands out prominently as provider of more than two-thirds of the DFC's external funding.

External loans secured by the DFC were responsible for the changes in the size, type and range of loans made locally since 1973. In 1973 funds received from CDB and CARE were used for small farmer and small industry projects. Small farmer loans and crop loans were made at 10 and 12 percent, respectively, to farmers to allow them to build up their equity or to be able to tide over crop season until harvest time. Small industry loans of less than \$3000 were granted with minimal collateral requested. In 1975 a student loan scheme, whereby loans of not more than 20 thousand at 8 percent were granted, was initiated to enable students to pay the last three years of a first degree course. In 1978 the Loan Guarantee Fund was instituted to provide

working capital to enterprises. To date its facilities have only been for investments in the Belize Electricity Board and the Belize Marketing Board. In 1979 the DFC commenced the issue of housing loans. Grants secured from foreign agencies have also been loaned to cooperatives at 8 percent interest. The funds will be on-lent to members of cooperatives at higher rates. The DFC also maintains a wide category entitled commercial loans made at 12 to 14 percent interest. Loans in this last category are between \$3 and \$400 thousand.

At this point it is difficult to assess just what impact the DFC has had upon the economy of Belize. The DFC admits to a lack of staff to carry out any such tests. But even if staff were available, it is doubtful whether ten years is a long enough time to test the developmental contributions of the institution. At a first approximation they seem to have made a mark in the economy, what with their assets growing from 1.2 in 1965 to 17.5 in 1982 as a percent of commercial bank assets. And the interest rate charged on loans granted by the DFC are certainly competitive with those of the commercial banks; though one hears often that the collateral required for a DFC loan is often out of all proportion to the size of the loan desired. The management, however, counters this by saying that the spread between the rates at which the DFC borrows and on-lends is usually only 4 - 5 percent; while risks are usually quite high on local loans. Ergo, while general economic criteria is paramount in loan decisions, the viability of the DFC and its external commitments must also be borne in mind when loans are being processed.

One might want to question whether the DFC is really providing

long term finance at low rates or whether it is simply duplicating existing sources of finance. No quick answer could be given, for while the DFC's rates are competitive with those of the commercial banks, the DFC has made a substantial number of loans to small farmers and small businessmen who would probably not even have been considered by the commercial banks. The DFC is further responsible for bearing the costs of supervising credit to persons who initially represented high-risk cases. Furthermore, with the exception of loans to the distributive sector, the DFC's loan profile closely resembles that of the commercial banks. The DFC is, however, ahead of the banks in its subsidized renting of industrial parks to entrepreneurs (built by the DFC). Yet, support for the view that the DFC is duplicating existing sources of finance can be found in the fact that a higher percentage of DFC funding goes toward expanding existing enterprises, than for establishment of new businesses.

Before ending this section on development banking, the Reconstruction and Development Finance Corporation bears mentioning. This institution is a statutory body, founded in the 1960's with grants provided by Britain to rebuild the hurricane-torn residential areas of Belize City. At this time data on the activities of this institution is unavailable, but they are responsible for a fair amount of the housing development which has taken place in Belize over the past two decades. Hopefully, more information on them will be available shortly.

BANKS

Commercial Banks

This section borrows heavily from a paper "Commercial Banking In Belize 1960 - 1980" prepared by Carla Barnett for the fourteenth Annual Regional Monetary Studies Conference held in Georgetown, Guyana, November 24 - 26, 1982.

There are four commercial banks operating in Belize. The last entrant in 1971 was the locally incorporated Atlantic Bank Limited, while the most established is the Royal Bank of Canada Limited operating since 1904. The other two banks in Belize are Barclays Bank International Limited which opened its doors in 1949 and Bank of Nova Scotia which registered for business in 1968. Apart from Atlantic, an affiliate of the Chase Manhattan Group, all banks are branches of multinational banks with local headquarters in Belize City.

These branches of multinational banks have opened sub-branches throughout the country of Belize and now have a network of sixteen branch offices. The growth of the citrus industry in the southern district of Stann Creek in the late 50's invited offices of both Royal and Barclays while the success of the sugar industry in the two northern districts of Corozal and Orange Walk explain why Scotia, Royal and Barclays have all seen fit to open a sub-branch in each of these districts. In addition there are two sub-branches in the capital Belmopan and one in San Ignacio. Atlantic Bank maintains an agency and Barclays a sub-branch in Belize City. No commercial bank can be found in the district of Toledo where economic activity is slow.

Commercial bank assets (Table 12) have grown erratically over the years

1960 - 1982, mirroring largely the inflows of funds into the system. In the early 60's asset growth largely reflected inflow of insurance funds to meet claims against damage caused by the Hurricane Hattie. High inflows were seen again in 1968 when money was received from Britain for the financing of the new capital Belmopan. Except for the years 1962 - 1963 when average negative growth of 21.0 percent was registered in commercial bank assets, positive growth in assets of some \$117.2 million was seen between 1968 and 1980.

Foreign assets and loans and advances were usually well over 70 percent of total asset holdings of commercial banks during the 60's and 70's. The banks' large foreign balances reflect the absence of a developed capital market in Belize and a preference of multinational banks for foreign balances and investments. Though the establishment of the Central Bank heralded the imposition of upper limits on the level of foreign balances held by the banks, they have not impacted upon a situation where Government of Belize Treasury Bills have been held primarily as the only outlet for excess liquidity usually experienced with the receipt of funds for the sugarcane farmers. Loans and advances of the banks have moved from being less than 50 percent of assets in 60's to as high as 70 percent in the years following the creation of the Central Bank. Government of Belize securities are a small fraction of total assets of the banks, being only one percent in 1982.

Deposit liabilities are the single most important component of the banks' liabilities (Table 13). Total deposits expanded from \$7.1 million in 1960 to \$115.4 million in 1982. Contained in this change was a four-fold increase in demand deposits. Deposit growth is heavily influenced

by the inflows of foreign exchange, most notable in August and December when sugar payments are made. Foreign liabilities of the banks are comprised chiefly of Head Office indebtedness. Head Office funds are important to finance liquidity squeezes or large domestic loans.

The two sectors commanding the bulk of bank credit are the agricultural and distributive sectors (Table 14). Between 1970 and 1982 loans to the distributive sector have grown from 17.0 to 33.5 percent of total loans. By contrast loans to the agriculture sector have declined over the same period from 45.5 to 17.2 percent. But a great deal of the apparent fall in loans to agriculture is explained by reclassification of loan purposes which placed agro-processing under the heading of manufacturing. As a result manufacturing has grown from 2.5 to 11.3 percent, but the dominance of the sugar industry in bank credit still prevails. It would seem that the commercial banks have perpetuated Belize's role as a mono-crop export and merchant economy with the high levels of credit extended to the sugar industry and the distributive sector. A fall in the percentage of sugar as a proportion of agricultural loans from 74.2 percent in 1970 to 47.0 in 1982 simply reflects the falling fortunes of the industry and not its declining role in the economy.

The banks grant loans after receiving collateral in the form of mortgages, insurance policies, fixed deposits, and ownership papers. Apart from the sugar cane farmers the banks make few loans to high-risk small farmers. In keeping with the real bills doctrine or self-

liquidating loan principles the banks continue to operate most actively in the very area that brought them to Belize - the import/export trade.

The commercial banks are primarily short-term lenders. Rarely are long-term loans (of up to 15 years) extended. The banks maintain a spread of between 7 - 10 percent on interest charged on loans and that paid on deposits. While there is some lag, local interest rates usually follow trends in international interest rates. One may wish to posit that types of loans and interest charged on such loans as made by the commercial banks are inimical to the structural transformation of the Belizean economy. Some may counter that the banks are essentially profit-oriented enterprises and so to expect them to act contrary to their perceived interests is hardly sensible. Yet some change in their mode of operations would seem vital for the transformation of the economy, as these banks control such a high proportion of the assets in the financial system (Table 21).

UNORGANIZED MONEY MARKET

The unofficial money market, legal and illegal, exists in Belize with its volume, size or range of activity providing room for much speculation and little concrete evidence. In the legal bracket there is the syndicate (equivalent of su-su in Trinidad or partner in Jamaica), pawnbroking, store credit and loan sharking. The syndicates essentially constitute groups of people making interest-free loans to each other. Numerous syndicates exist among the lower and middle income groups, but no comprehensive analysis of their range or depth is possible. There is also one registered pawnbroker in Belize City, but there is reason to believe that others, unregistered, operate in the country. Unlike the syndicate and store credit, it is believed that pawnbroking and loan-sharking involve high rates of interest for debtors and high levels of profit for creditors. These sources of finance and credit, involving high risk and placing great emphasis upon personal contact, are essential to that bulk of the population with low savings in official institutions and low incomes that provide inadequate coverage in cases of emergency. Lastly, it can be assumed that hoarding & barter occurs, especially in the light of the fact that about thirty percent of the population of Belize is scattered in over 100 villages with minimal financial infrastructure.

At first estimation it would seem that the institutions in the unorganized money market do little more than perpetuate the distrust, ignorance and fear of official institutions among the population. In so far as they retard the monetization of the economy, they would seem also to represent a negative force in the economy.

However, while one may assume that the retarded monetisation of the economy may prove inimical to the general developmental needs of the economy, the logic should not be extended to a conclusion that the merging of the unorganized with the official money market will cure all the ills of the society. The point being made here is that it is not the unofficial sector that is responsible for the underdeveloped nature of the official money market. Rather the unofficial money market persists because of the inadequacy of the official system as regards provision of financing and credit needs for some segments of the population. We would like to suggest that if the official financial institutions were to mobilize the savings of the unofficial sector, such funds would not be utilized in the interests of those now in possession of them. The dominance of foreign financial institutions in the system can only underscore this point.

Another aspect of the unorganized money market is the illegal sector. It is believed that this sector consists primarily of drug money. Exports of Belizean marijuana and use of Belize as refuelling point for drug planes originating in Central and South America supposedly provide a source of hard currency for the economy. That there is a considerable flow of drug money is not questioned, but its volume can only be crudely estimated. Unknown also is the quantity of these funds which actually stays in or even enters Belize's economy. At present, while an extremely liquid position of the commercial banks and the poor earnings for sugar recorded over the past three years would hint at the use of hot and/or illegal money, there is no high degree of certainty. Other factors, for example the Mexican practise of circumventing exchange controls in

Mexico by holding balances in Belize, could also be used to explain the banks' current excess liquidity. Low private sector demand for credit could perhaps provide an explanation also. Nevertheless, the Central Government's capacity to issue Treasury Bills to take due advantage of the unexplained liquidity is reminiscent of Jamaica in the late 70's when the popular feeling was that marijuana was keeping a depressed economy afloat. We repeat, however, that popular, uninformed opinion underlies this judgement.

In summary, those attempting to study the illegal sector of Belize's money market are still wondering what part of the elephant they are touching. The flow, velocity, timing and volume of illegal money remain outside the purview of the central monetary authorities. Likewise attempts to assess their significance for the short and long-run development of Belize are meaningless. The drug market can only be alluded to in the face of discrepancies between the official figures and the visible sectors of the economy.

THE CENTRAL MONETARY AUTHORITY AND
THE ADJUSTMENT PROCESS

Adjustments necessary in the economy are essentially of two kinds. There is the need for marginal or short-run alterations in the monetary sector. More importantly, there is required structural, long-term changes in both the monetary and the productive sectors. Marginal adjustments for day to day manipulation of the financial system can only be meaningful for the economy when structural defects in the form of openness and vulnerability of the domestic sector to external factors can be reduced. The central monetary authority is undoubtedly the pivotal character in the adjustment process. Examination of its establishment, evolution and impact over the years describe the extent to which monetary policy has been successful in the open and dependent economy of Belize.

Belize's first central monetary authority was the Belize Board of Commissioners of Currency created in 1894. The Currency Board was established as issuer of Belizean currency pegged to the US dollar and redeemable in US dollars, up until 1940 when the Belize dollar became redeemable in sterling, though remained pegged to the US dollar. In 1949 the Board recorded its first attempt to affect monetary and economic matters in Belize when it severed the link between the US and the Belize dollar and pegged the latter to the pound sterling. As Britain was Belize's major trading partner at the time, the move was a mandatory one designed to minimize the shock of losses sustained with the devaluation of the British pound in that year.

The Currency Board, with the exception of action taken in 1949, functioned basically as a money changer, in spite of regulation which enabled it to widen its scope of operations. In 1958 the Board was empowered to make a fiduciary issue of \$350,000 Belize dollars. The Board failed to take advantage of the opportunity to maintain local assets equal to 15 percent of currency in circulation in its portfolio. When the authorised fiduciary issue was raised to \$1 million or 25 percent of money in circulation, the Board again denied itself the use of increased opportunities to exercise monetary policy to influence economic activity.

The use of monetary policy with the aims of controlling inflation and Balance of Payments and stimulating growth and employment was not exercised in Belize until 1977. The Ordinance to establish the Monetary Authority of Belize and to regulate banking operations in Belize in 1976 heralded the beginning of obvious monetary policy in Belize. The hegemony of the commercial banks and the Balance of Payments as effective determinants of money supply in the face of inaction on the part of the Currency Board was theoretically broken.

The Monetary Authority was to fulfill several functions of a central monetary authority, namely 1) issuer of currency; 2) banker to Government and commercial banks; 3) guarantor of monetary stability; 4) provider of conditions conducive to balanced growth; 5) mobiliser and maximiser of savings and optimiser of credit distribution; 6) overseer ensuring that banks and other financial institutions followed Government's economic policy. The Monetary Authority was vested with the traditional tools of monetary policy for enforcing of its

objectives. These were the open market operations, the rediscount rate, reserve ratio, liquid assets ratio and selective credit controls. In 1982 the Central Bank was created with increased powers that included the setting of interest rates in the banking sector. But the essential function of the Monetary Authority which in 1976 ended free convertibility and reinstated the link between the Belize and US dollars, remained unchanged. To date, the Central Bank (reference is implicit of Monetary Authority as established in 1976) has had minimal success in its use of monetary policy in the economy of Belize.

To begin with, the Central Bank was for most of the period since 1977 unaware of what was taking place in the financial sector. The commercial banks represent the only financial institutions within the ambit of the Central Bank's regulatory powers. While knowledge of the development bank's activities was held, there is no power for the Central Bank to influence their operations directly. In the case of other non-bank financial intermediaries in the system, the Bank has only recently started compiling data on their roles in the economy. These institutions which include insurance companies, cooperatives, savings bank, and building society are outside the direct range of monetary policy of the Central Bank. Indeed they are not even obliged to surrender data to the Central Bank though in most cases they have willingly done so. The point being made here is that success of monetary policy (or the lack thereof) can only be discussed with reference to the commercial banks.

The commercial banks at this point are seen as controlling the majority of financial assets in the system. (Tables 19 and 21). It is

not known to what extent the insurance companies' assets affect the dominance of commercial banks assets. So for now we can proceed on the assumption that efficacy of monetary policy is dependent upon the ability to regulate policies of the commercial banks. To what extent has monetary policy been utilized and what levels of success have been recorded?

The smooth transition from the Currency Board to Central Bank and the minimal disruption occasioned by the creation of the Banking Ordinance in 1976 probably gives a false picture of usefulness of monetary policy in Belize. In the first instance open market operations are nullified by the underdeveloped capital market. Securities traded are for the most part Treasury Bills, 90 percent of which are held by the Central Bank and the commercial banks. And Treasury Bills are usually held by the banks only to meet local asset requirements or to maximise returns from seasonal excess liquidity resulting from receipts of sugar funds. The discount rate or reserve ratios are meaningless in a context where the banks use their Head Offices as lenders of last resort and seek credit only in conditions of acute illiquidity. While the discount rate is fixed automatically at 2 percent above that rate on Government of Belize Treasury Bills, advances by the Central Bank to the banks are usually zero.

Banks' balances with the Central Bank are legally required to be 5 percent of average deposit liabilities, and these requirements are easily met and often exceeded. The minimum liquid assets ratio of 20 percent of average deposit liabilities constitute more of a problem for the banks, but this has been resolved by successful pleas that the

Central Bank approve as liquid assets loans to the Banana Control Board and the Reconstruction and Development Corporation (both statutory bodies). This special arrangement precludes the Central Bank's ability to change lending practises or foreign liabilities' portfolio of the commercial banks. Direct credit controls would appear to offer potential as the most effective tool of the Central Bank. Power to reduce commercial banks credit by 5 percent and restrictions on lending whereby no one customer of a bank is allowed to receive more than 25 percent of a bank's capital and reserves without permission of the Central Bank, provide some leeway for the Central Bank to regulate loan policies of the banks.

The commercial banks have so far not been challenged significantly by the Central Bank. Their practises of maintaining high and unpredictable cash ratios have not changed. Their holding of foreign assets and liabilities have not been unduly circumscribed by the Central Bank. Predominant use of Treasury Bills as a source of cheap credit for the Government and the otherwise limited array of financial assets in the local economy have justified the continued practise of maintaining minimal local assets and maximum foreign balances. Nevertheless the Central Bank has had some successes in regulating commercial banking practices in Belize. For example the Central Bank regulations have helped to reduce the loans and advances to deposits ratio of the banks from 81.0 percent in 1976 to 67 percent in 1981. The Central Bank was successful in getting the commercial banks to maintain stable interest rates in Belize between 1976 and 1979. After being 9 percent for these years the prime rate was allowed to rise to 17 percent by the end of 1980. This measure, however, dramatises the balancing act between the desire to provide cheap

local credit and the need to obey general international interest movement to restrict capital outflows which the Central Bank must play. Ability to persuade the banks to reduce interest rates locally in January and August of 1983 as international rates started falling further underlines this point. Perhaps the Central Bank's most effective policy measure was seen in 1979 when a 5 percent credit reduction was imposed upon the banks. The effect, was that of selective control though the measure employed was direct since it came at that time in the year when the demand for agricultural credit was slack and that from the distributive sector would have been strong for rebuilding of inventories after the seasonal Christmas drawdown.

In spite of the small list of successes detailed above, the Central Bank's ability to utilize monetary policy to influence economic activity is greatly circumscribed. And indeed the state of the economy itself dictates a limited role for monetary policy in influencing inflation, the Balance of Payments and growth and employment in the economy. As stated before the dominance of the foreign elements in the financial system limit the effectiveness of the tools of monetary policy with which the Central Bank is equipped. In addition monetary expansion is not a true reflection of changes in the inflation rate. Instead international prices of Belize's imports are the primary determinants of domestic costs of goods and factor services. Attempts to control monetary expansion could only deflate the economy, while structural deficiencies such as a skewed production base and the openness of the economy would only aggravate the problem. The direct link between movements in bank credit and foreign exchange reserves, though unwanted, is a function of the openness of the economy and must

be handled carefully

The public sector is another vital participant in the monetary and economic sectors of the economy. The Central Government has the capacity to influence the Balance of Payment and ensure that imports are those which build the productive capacity of the economy and correct the deficiencies therein. The Central Government can also employ the Central Bank as a instrument for correcting the structural impediments in the monetary and financial sectors. To date the public sector has done little in this regard. What appears to be the case is that the Central Bank has represented primarily a source of cheap and easy credit for the public sector. Internal debt of the public sector has increased from \$7.7 to \$47.7 million between 1976 and 1982. The Central Bank has over the years accounted for an increasing proportion of this debt - from 6.0 percent in 1976 to 26.0 percent in 1982. The public sector's external debt, though not a direct problem for reserves since the debt service ratio is less than 5 percent, still represents a problem for monetary policy and indirectly for foreign currency reserves. External debt of the public sector has grown fivefold over the past seven years from \$28.8 million in 1976 to \$141.4 million in 1982. The public debt, both internal and external, in so far as it is used to finance imports (which it will given the openness of the economy), augurs ill for monetary policy.

The growth of the public debt in recent years has exposed an anomaly in the regulations and highlighted the ultimate determinant of monetary activity. The regulations governing financing practices contain a contradiction in terms of required level of external assets

and the permissible level of credit creation. The Central Bank Act stipulates that the Central Bank must maintain external assets to the value of 40 percent of currency and demand liabilities. Yet lending to the public sector puts a strain on the Central Bank's ability to maintain this required level of reserves. And when direct advances to the public sector are kept to the required minimum of 15 percent of estimated current revenues or issuing of Treasury Bills curtailed with the Treasury's legally - circumscribed issue of 15 percent of Government's total revenue, the Central Government can still circumvent the process by borrowing abroad or locally from the commercial banks. In so far as external debt or commercial bank advances to the public sector provide a boost to foreign reserves they are an asset. But to the extent that they constitute unproductive borrowing they are merely impediments to effective monetary policy and obstacles to real structural transformation of the economy. For while foreign exchange reserves stand out as the ultimate determinant of the efficacy of monetary policy, the public sector emerges as the pivotal element in the determination of use of these reserves.

CONCLUDING COMMENTS

The deterrents to effective monetary policy are many. What with a large non-monetised sector, an underdeveloped capital market, the ubiquitous presence of foreign banks and other financial institutions and the burgeoning public debt, the outlook seems bleak. There would appear to be room to question the need for a Central Bank pursuing the elusive image of pillar of financial stability. But all is not lost. There is still hope that the Central Government will use the Central Bank as an agent for transforming the economy of Belize. There is room for much more dialogue between the Bank and the Government as regards the developmental roles both will play in the economy. For while the present objective conditions in the economy militate against the effective use of monetary policy, the need for it is real and urgent. However, close-interrelationship with the monetary and other areas of policy is prerequisite for the successful use of monetary tools. If the Belizean economy is to develop, then the real sector must be transformed. But production planning must perforce accompany financial planning. The problems of building an economy founded on internal self-sustaining growth are numerous but are conquerable if there is cooperation amongst all relevant parties.

REFERENCES

- GHATAK, SUBRATA - Monetary Economics in Developing Countries
Copyright Macmillan Press,
London 1981
- ODLE, MAURICE - Multinational Banks and Underdevelopment
Copyright Pergamon Press Inc.,
New York, 1981
- The Significance of Non-Bank Financial Intermediaries in the Caribbean
Institute of Social and Economic Research, University of the West Indies, Jamaica, 1972
- THOMAS, CLIVE YOLANDE - Monetary and Financial Arrangements in a Dependent Monetary Economy
Institute of Social and Economic Research, University of the West Indies, Jamaica, 1965
- The Structure Performance and Prospects of Central Banking in the Caribbean
Institute of Social and Economic Research, University of the West Indies, Jamaica, 1972
- McCLEAN, A.W.A. - Money and Banking in the East Caribbean Currency Authority
Institute of Social and Economic Research, University of the West Indies, Jamaica, 1976
- BARNETT, C.N. - Commercial Banking in Belize 1960 - 1980
Paper presented at Fourteenth Annual Regional Monetary Studies Conference in Guyana, November 1982
- KHATKHATE, DEENA R. AND COATES, WARREN L., JR. - Money and Monetary Policy in Less Developed Countries
Copyright Coates & Khatkhate, Pergamon Press Inc., Britain, 1980

HUMES, D.E.

- The Efficiency of Monetary
Policy in Belize
Research Department, Central
Bank of Belize, 1982

SAVINGS BANK ORDINANCE 1962	(AVAILABLE
INSURANCE ORDINANCE 1975	(AT
COOPERATIVE SOCIETIES ORDINANCE 1978	(
CREDIT UNION ORDINANCE 1951	(GOVERNMENT PRINTERS
DEVELOPMENT FINANCE CORPORATION ORDINANCE 1961	(GOVERNMENT OF
MONETARY AUTHORITY OF BELIZE ORDINANCE 1976	(
CENTRAL BANK ACT 1982	(BELIZE

DATA SOURCES

Development Finance Corporation	Annual Reports 1965 - 1980
Holy Redeemer Credit Union	Annual Reports 1957 - 1982
National Fishermen Cooperative Society Limited	Annual Reports 1977- 1982
Caribeña Producers Cooperative	Annual Reports 1980 - 1982
Northern Fishermen Producers Cooperative	Annual Reports 1976 - 1982
Central Bank of Belize/Monetary Authority of Belize	Annual Reports 1977 - 1982 Statistical Digest 1982
Central Planning Unit	Annual Abstract of Statistics 1980
Department of Credit Unions and Cooperatives	Annual Reports
Government of Belize	Estimates of Revenues and Expenditure
Belize Credit Union League	Annual Report 1978
Belize National Building Society	Annual Report 1982
World Bank	Economic Report On Belize 1982

TABLE 1
BELIZE NATIONAL BUILDING SOCIETY
FINANCIAL STATEMENT FOR YEAR ENDING MARCH 31st, 1983.

<u>ASSETS</u>		<u>LIABILITIES</u>	
Fixed Deposits	\$23,305.00	Savings Account (February to March 1983)	4,133.00
Current Account	2,625.00	Shareholders' Equity	26,617.00
Equipment	2,187.00	Other Liabilities	821.00
Furniture and Fixtures	3,454.00		
	<u>\$ 31,571.00</u>		<u>\$ 31,571.00</u>

Source: Belize National Building Society Annual Report 1983

TABLE 2
GOVERNMENT SAVINGS BANK
ASSETS AND LIABILITIES 1967 - 1980

BZ\$000

Year	LIABILITIES				ASSETS						Total
	Deposits	Surplus	Treasury Advances	Total	Cash with Account General	Suspense Account	Government Debentures	Sterling Investment	Deficit Per Def/ Surplus Account		
1967	2,236	-	-	2,236	45	-	480	1,413	218	2,236	
1968	2,330	-	89	2,419	-	-	480	1,765	174	2,419	
1969	2,281	-	88	2,369	-	-	485	2,749	135	2,369	
1970	2,149	9	240	2,398	18	-	720	1,660	-	2,398	
1971	2,106	178	-	2,284	30	-	721	1,533	-	2,284	
1972	2,123	156	-	2,279	33	-	689	1,557	-	2,279	
1973	2,314	76	-	2,390	82	-	672	1,636	-	2,390	
1974	2,400	87	-	2,487	20	6	645	1,816	-	2,487	
1975	2,515	387	-	2,902	84	3	645	2,170	-	2,902	
1976	3,313	249	-	3,562	415	4	645	2,498	-	3,562	
1977	2,175	484	-	2,659	754	8	645	1,252	-	2,659	
1978	2,866	472	-	3,338	1,372	4	645	1,317	-	3,338	
1979	3,733	457	-	4,190	2,093	40	645	1,412	-	4,190	
1980	3,245	1,056	-	4,301	2,963	44	645	- 649	-	4,301	

Source: Government Savings Bank Statements, 1967 - 1980

TABLE 3
GOVERNMENT SAVINGS BANK
OPERATING EXPENSES

Year	BZ\$000						Total
	Interest Payments to Depositors	Contribution to General Revenue in *	Contribution to Audit	Stationeries & Supplies	Balance to Surplus & Deficit Account		
1967	65.4	7.0	0.8	2.7	20.8	96.7	
1968	67.3	7.0	0.8	0.1	33.2	108.4	
1969	68.0	7.0	0.7	0.7	63.3	139.7	
1970	64.6	7.0	0.7	1.2	74.4	147.9	
1971	66.0	7.0	0.8	0.3	69.2	143.3	
1972	82.3	7.0	1.4	3.9	67.1	161.7	
1973	85.6	20.0	1.3	0.9	69.5	177.3	
1974	92.5	25.0	1.3	0.6	130.3	249.7	
1975	93.6	25.0	1.4	0.8	141.3	162.1	
1976	113.4	25.0	1.4	10.1	130.3	280.2	
1977	105.8	30.0	1.4	16.8	77.4	231.4	
1978	93.8	30.0	1.4	7.1	49.6	181.9	
1979	126.8	30.0	1.4	6.2	52.5	216.9	
1980	214.6	-	1.4	5.0	32.2	253.2	

Source: Government Savings Bank Statements, 1967 - 1980

*in respect of services rendered by Public Officers

TABLE 4
COOPERATIVES
ASSETS 1963 - 1983

District	BZ \$000					
	1963	1966	1969	1973	1976	1982
Corozal	12	35	45	189	589	1360
Orange Walk	5	17	39	202	451	499
Belize	77	535	555	4275	4090	14146
Cayo	-	15	19	8	27	37
Stann Creek	24	72	121	10	555	2292
Toledo	8	7	15	61	30	103
TOTAL	126	681	794	4745	4742	18437

Source: Department of Cooperatives and Credit Unions

TABLE 5
CREDIT UNIONS
LOANS

Districts	BZ \$000					
	1963	1966	1969	1973	1976	1982
Corozal	38	16	7	2	3	260
Orange Walk	23	23	16	58	22	379
Belize	796	947	1236	2735	4915	6332
Cayo	18	11	26	41	232	273
Stann Creek	24	4	7	7	10	69
Toledo	21	10	5	9	16	15
TOTAL	920	1011	1297	2852	5198	7328

Source: Department of Cooperatives and
Credit Unions

TABLE 6
HOLY REDEEMER CREDIT UNION

Year	ASSETS										Total
	Cash in Hand	Cash in Banks	Loans to Members	Loans to Other Unions	Investments	(Investment) (in Government Securities)	Fixed Assets	Other	BZ\$000		
1965	-	47	691	1	13	(4)	10	6	6	767	
1966	-	57	850	-	15	(4)	15	14	14	923	
1967	-	49	1,001	1	5	(4)	20	7	7	1,083	
1968	2	69	1,138	1	33	(9)	20	1	1	1,264	
1969	3	73	1,358	1	57	(9)	20	2	2	1,514	
1970	3	61	1,620	1	82	(9)	23	1	1	1,791	
1971	1	49	1,939	1	89	(9)	31	8	8	2,118	
1972	1	75	2,404	1	160	(9)	29	1	1	2,671	
1973	-	89	2,914	1	183	(8)	30	1	1	3,218	
1974	-	136	3,395	-	238	(7)	30	1	1	3,800	
1975	-	148	4,274	1	243	(5)	28	1	1	4,695	
1976	-	79	5,398	10	244	(5)	25	1	1	5,657	
1977	3	160	6,537	9	242	(5)	24	-	-	6,975	
1978	36	76	7,705	11	348	(5)	26	33	33	8,235	
1979	32	235	8,914	26	549	(5)	27	30	30	9,813	
1980	2	243	10,593	13	584	(4)	25	42	42	11,502	
1981	68	284	11,433	12	854	(4)	25	27	27	12,703	
1982	8	204	12,132	12	1,080	(4)	23	23	23	13,482	

Source: Holy Redeemer Credit Union Annual Reports, 1965 - 1982

TABLE 7

HOLY REDEEMER CREDIT UNION

LIABILITIES

BZ\$000

Year	Members Deposits	Members Shares	Dividends Payable	Loans From Cooperatives & Reserves	Capital Reserves & Reserves	Rebates Payable	Other	Total
1965	3	690	25	-	47	-	2	767
1966	1	835	30	-	56	-	1	923
1967	4	975	34	-	69	-	1	1,083
1968	5	1,139	-	-	119	-	1	1,264
1969	7	1,354	-	-	151	-	2	1,514
1970	8	1,568	47	-	168	-	-	1,791
1971	8	1,850	36	-	220	-	4	2,118
1972	4	2,238	94	75	258	-	2	2,671
1973	7	2,726	64	25	393	-	3	3,218
1974	12	3,139	63	50	531	-	5	3,800
1975	14	3,869	151	60	592	-	9	4,695
1976	15	4,649	190	50	774	-	7	5,657
1977	29	5,649	305	50	932	-	10	6,975
1978	12	6,650	433	-	1,130	-	10	8,235
1979	18	7,824	612	-	1,347	-	12	9,813
1980	13	8,916	805	125	1,600	29	14	11,502
1981	19	9,780	1,007	-	1,826	55	16	12,703
1982	6	10,118	883	-	2,413	46	16	13,482

Source: Holy Redeemer Credit Union Annual Reports, 1970 - 1982

TABLE 8
HOLY REDEEMER CREDIT UNION
LOANS ISSUED

	BZ\$000										
	1972	1973	1975	1976	1978	1979	1980	1981	1982		
Agriculture & Land Purchasing	19	57	297	373	281	295	217	404	179		
Fishing	45	52	96	156	36	105	72	193	72		
Home Building & Improvement	188	402	892	556	212	1,043	1,057	1,074	1,227		
Home Appliances & Furniture	29	86	123	191	130	106	256	266	302		
Medical & Dental	17	57	52	172	72	89	73	120	104		
Business/Industry	252	392	192	480	26	298	430	456	495		
Vehicle Purchasing, Repairs & Licence	57	126	187	262	300	456	338	360	334		
Education	21	46	205	218	88	98	102	157	206		
Travel/Vacation	30	46	67	163	139	185	213	151	185		
Consolidation of Debts & Funerals	44	21	68	241	87	109	114	61	50		
Holiday Shopping	72	235	16	59	22	17	43	45	14		
Insurance/Income Tax & Custom Duties, etc.	3	32	100	127	17	13	3	36	35		
Other	7	24	496	363	39	191	110	142	80		
TOTAL:	784	1,576	2,791	3,361	1,449	3,005	3,023	3,365	3,283		

Source: Holy Redeemer Credit Union Annual Report, 1971 - 1982

TABLE 9
DEVELOPMENT FINANCE CORPORATION

ASSETS 1965 - 1982

Year	Cash	Due From Central Bank	Due From Other Local Institu- tions	Foreign Assets	Government of Belize Securities	Sharehold- ings in Belize	Loans and Advances	Other Assets	BZ\$000	Total
1965	-	-	1	159	-	-	26	1	187	
1966	-	-	5	266	-	-	-	1	272	
1967	-	-	2	267	-	-	24	1	294	
1968	-	-	3	275	-	-	33	1	312	
1969	-	-	91	168	-	-	74	1	334	
1970	2	-	147	-	-	-	227	6	382	
1971	-	-	227	-	-	-	205	3	435	
1972	-	-	246	-	-	-	188	1	435	
1973	1	-	182	12	-	-	551	1	747	
1974	14	-	1,070	-	1	-	2,890	110	4,085	
1975	-	-	2,095	-	-	150	5,602	230	8,077	
1976	-	-	2,432	-	-	1,511	8,026	1,196	13,165	
1977	-	-	477	-	1,239	1,962	10,144	1,759	14,581	
1978	5	25	977	7	-	1,583	15,327	1,869	19,793	
1979	7	25	800	27	4	1,824	15,816	2,469	20,968	
1980	5	111	790	23	-	2,001	19,808	2,640	25,378	
1981	65	25	440	24	-	2,044	24,065	3,335	29,998	
1982	57	25	806	23	-	1,797	25,824	3,963	32,495	

Source: Development Finance Corporation Annual Reports 1965 - 1981
Statistical Digest 1982, Central Bank of Belize

TABLE 10

DEVELOPMENT FINANCE CORPORATION

LIABILITIES: 1965 - 1982

BZ\$000

Year	Capital & Reserves	Grants & Trust Funds	Foreign Liabilities	Due to Central Bank of Belize	Due to Government of Belize	Other Liabilities	Total
1965	185	-	-	-	-	2	187
1966	271	-	-	-	-	1	272
1967	294	-	-	-	-	-	294
1968	311	-	-	-	-	1	312
1969	333	-	-	-	-	1	334
1970	367	-	-	-	-	15	382
1971	424	-	-	-	1	10	435
1972	431	-	-	-	-	4	435
1973	434	102	201	-	-	10	747
1974	437	152	2,521	-	100	875	4,085
1975	1,234	1,113	5,675	-	-	55	8,077
1976	1,687	1,232	10,148	-	-	98	13,165
1977	2,489	1,248	10,566	-	-	278	14,581
1978	2,414	2,170	12,072	-	-	3,137	19,793
1979	3,606	1,542	13,226	-	-	2,594	20,968
1980	4,467	1,319	17,018	405	-	2,169	25,378
1981	3,895	1,956	21,545	-	-	2,602	29,998
1982	4,722	1,990	23,993	-	-	1,790	32,495

Source: Development Finance Corporation Annual Reports, 1965 - 1981;

Statistical Digest, 1982, Central Bank of Belize

TABLE 11
DEVELOPMENT FINANCE CORPORATION
DISTRIBUTION OF LOANS & ADVANCES

Year	Percentage							
	Public Utilities	Agriculture	Commercial Fishing	Forestry	Manufacturing	Tourism	Building Construction	Distribution
1965	-	100.0	-	-	-	-	-	-
1966	-	-	-	-	-	-	-	-
1967	-	66.7	-	-	33.3	-	-	-
1968	-	39.4	-	-	42.4	-	-	18.2
1969	-	17.6	-	-	19.0	56.8	-	6.6
1970	-	37.4	-	-	4.8	56.4	-	1.4
1971	-	3.4	-	-	42.5	43.4	-	-
1972	-	-	-	-	38.3	27.1	17.0	-
1973	-	64.6	-	-	18.1	12.9	-	-
1974	-	49.6	4.9	4.5	14.6	24.6	-	-
1975	-	72.3	8.6	-	9.9	4.4	-	-
1976	-	49.6	6.5	0.5	10.9	8.1	15.1	-
1977	-	37.2	3.7	-	19.5	3.3	30.6	-
1978	2.5	40.3	6.8	2.0	9.9	5.5	24.0	4.7
1979	2.4	42.1	7.5	1.4	9.5	7.4	20.6	4.8
1980	2.0	40.4	6.1	1.0	8.6	8.1	24.7	4.2
1981	1.6	39.3	4.3	0.6	7.4	8.3	30.0	3.0
1982	1.5	41.5	4.0	0.2	5.8	7.4	29.6	2.7

TABLE 11

Development Finance Corporation

Distribution of Loans and Advances contd.

Year	Percentage						Total
	Professional Services	Transport	Mining and Exploration	Personal & Student	Unspecified		
1965	-	-	-	-	-	100.0	
1966	-	-	-	-	-	100.0	
1967	-	-	-	-	-	100.0	
1968	-	-	-	-	-	100.0	
1969	-	-	-	-	-	100.0	
1970	-	-	-	-	-	100.0	
1971	-	-	-	-	10.7	100.0	
1972	-	-	-	-	17.6	100.0	
1973	4.4	-	-	-	-	100.0	
1974	1.8	-	-	-	-	100.0	
1975	3.8	-	-	1.0	-	100.0	
1976	5.0	-	-	4.3	-	100.0	
1977	4.7	-	-	1.0	-	100.0	
1978	0.2	1.0	0.9	2.2	-	100.0	
1979	0.2	0.6	0.8	2.7	-	100.0	
1980	0.4	1.1	1.0	2.4	-	100.0	
1981	0.6	1.6	1.1	2.2	-	100.0	
1982	1.5	2.2	0.9	2.7	-	100.0	

Source: Development Finance Corporation Annual report 1965 - 1980

TABLE 12
COMMERCIAL BANKS
ASSETS 1960-1982

BZ\$000

Year	Cash	Balances With Central Bank	Due From Other Institutions	Foreign Assets	Loans & Advances	Government Securities	Of Which Treasury Bills *	Other Assets	Total
1960	709	-	-	2,855	6,100	-	(-)	1,599	11,263
1961	498	-	-	11,967	4,488	-	(-)	1,941	18,894
1962	770	-	-	5,604	5,746	-	(-)	2,300	14,420
1963	682	-	165	4,540	5,446	-	(-)	969	11,802
1964	984	-	91	4,101	6,717	-	(-)	1,521	13,414
1965	1,078	-	61	5,439	7,821	-	(-)	994	15,393
1966	1,147	-	54	2,597	7,983	-	(-)	2,200	13,981
1967	1,051	-	12	1,804	10,997	161	(-)	2,334	16,359
1968	1,560	-	12	3,094	18,611	160	(-)	2,681	26,118
1969	1,735	-	934	892	22,613	160	(-)	5,614	31,948
1970	1,508	-	622	3,339	28,139	165	(-)	4,354	38,127
1971	1,612	-	314	3,973	22,272	165	(-)	6,612	39,948
1972	1,702	-	2,505	968	39,889	165	(-)	4,613	49,842
1973	2,069	-	4,528	884	40,829	161	(-)	5,723	54,194
1974	2,294	-	3,421	4,333	46,603	161	(-)	8,493	65,305
1975	3,002	-	3,811	5,186	51,559	161	(-)	7,521	71,240
1976	2,370	-	879	2,148	64,053	161	(-)	9,648	79,259
1977	2,594	3,195	1,472	7,467	59,515	3,168	(2,717)	9,276	86,687
1978	2,478	5,899	16	11,936	64,996	7,013	(5,817)	11,238	103,576
1979	3,256	2,962	446	19,673	86,550	636	(300)	12,428	125,951
1980	3,736	4,756	117	21,643	91,892	7,612	(7,316)	13,998	143,754
1981	3,271	9,264	1,366	22,951	108,909	2,510	(2,259)	13,273	161,544
1982	3,845	12,673	1,754	14,903	132,344	1,964	(1,753)	18,385	185,858

Source: Commercial Banking in Belize 1960 - 1980, Carla Barnett;
Statistical Digest 1982, Central Bank of Belize.

* Treasury Bills first issued August, 1977.

TABLE 13

COMMERCIAL BANK LIABILITIES 1960 - 1982

BZ\$000

Year	Total Deposits	Demand Deposits	Savings Deposits	Time Deposits	Foreign Liabilities	Advances From Central Bank	Due to Other Local Institutions	Capital & Reserves	Other Liabilities	Total
1960	7,077	3,501	2,527	1,049	3,041	-	-	-	1,145	11,263
1961	16,139	9,983	4,504	1,652	5	-	-	-	2,750	18,894
1962	12,082	4,743	4,197	3,142	130	-	-	-	2,208	14,420
1963	10,640	4,125	3,857	2,658	115	-	-	-	1,047	11,802
1964	11,930	5,166	3,754	3,010	110	-	-	-	1,374	13,414
1965	12,108	4,703	3,823	3,582	1,297	-	32	-	1,956	15,393
1966	12,289	4,631	4,196	3,462	545	-	-	-	1,147	13,981
1967	12,678	4,753	4,208	3,717	2,311	-	-	-	1,370	16,359
1968	15,904	5,813	5,316	4,775	7,945	-	501	-	2,198	26,548
1969	18,039	5,155	6,675	6,209	9,488	-	482	-	3,020	31,029
1970	20,335	5,339	8,166	6,830	14,432	-	482	-	2,879	38,128
1971	24,615	6,073	10,690	7,852	12,103	-	450	-	2,772	39,940
1972	31,120	7,511	12,146	11,463	13,425	-	502	-	4,789	49,836
1973	37,042	8,961	13,674	14,407	8,158	-	1,912	-	7,082	54,194
1974	50,586	12,266	19,881	18,439	2,421	-	2,939	-	9,359	65,305
1975	59,137	13,056	24,308	21,773	993	-	2,036	-	9,074	71,240
1976	61,290	11,174	23,371	26,745	10,685	-	10	700	6,574	79,259
1977	62,278	13,158	25,854	23,266	12,047	-	1,254	5,395	5,713	86,687
1978	79,316	21,525	28,059	29,732	10,857	-	38	5,205	8,160	103,576
1979	83,293	23,054	29,838	30,401	27,216	-	493	7,246	7,703	125,951
1980	94,143	25,708	31,573	36,862	31,720	400	180	7,628	9,683	143,754
1981	104,684	23,062	27,835	53,787	35,344	-	1,132	8,226	12,158	161,544
1982	115,360	21,463	26,615	67,282	44,463	-	1,486	8,354	16,205	185,868

Source: Commercial Banking in Belize, 1960 - 1980; Carla Barnett;
Statistical Digest 1982, Central Bank of Belize

TABLE 14

COMMERCIAL BANKS DISTRIBUTION OF LOANS AND ADVANCES

	Percentage												
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Government Services	3.0	7.3	7.3	7.1	4.6	3.2	5.1	0.6	-	2.2	2.7	3.9	10.9
Public Utilities	4.0	4.8	5.1	6.7	6.7	6.0	1.9	1.8	1.6	0.9	0.2	0.8	0.4
Agriculture	45.5	45.8	39.2	39.8	41.0	38.8	33.4	28.0	27.9	27.1	26.2	22.1	17.2
Commercial Fishing	0.7	0.4	0.4	0.4	0.7	0.2	0.2	0.5	0.5	0.4	0.8	0.4	0.4
Forestry	4.7	1.1	0.8	0.3	0.7	0.9	0.3	3.4	6.1	1.6	3.3	2.5	2.1
Manufacturing	2.5	1.6	3.3	4.2	3.7	5.6	8.7	13.5	11.1	11.9	13.6	10.9	13.7
Tourism	3.9	4.0	3.1	1.3	1.3	1.5	1.0	0.9	0.8	0.9	0.8	0.9	1.1
Building Construction	10.0	9.5	5.3	5.7	7.1	7.3	6.8	10.0	11.1	10.8	10.1	10.9	9.5
Real Estate	-	-	-	-	-	-	0.9	1.7	1.6	1.4	1.0	1.1	1.0
Financial Institutions	-	-	-	-	-	-	1.1	1.1	1.3	0.8	0.2	0.3	0.2
Distributions	17.4	15.1	24.1	24.0	25.0	27.7	28.4	22.8	22.9	27.2	27.4	33.3	31.2
Professional Services	-	-	-	-	-	-	0.3	0.9	0.8	0.8	1.2	0.9	0.6
Transport	1.6	1.9	2.3	3.2	2.2	2.4	3.0	2.9	2.3	2.8	1.7	1.6	1.5
Entertainment	-	-	-	-	-	-	0.2	0.6	0.4	0.4	0.4	0.4	0.7
Mining & Exploration	-	-	-	-	-	-	-	-	-	-	-	-	1.4
Personal Loans	6.7	8.5	9.1	7.3	7.0	6.4	8.5	11.3	11.6	10.8	10.4	10.0	8.1
Sundries	-	-	-	-	-	-	0.2	-	-	-	-	-	-
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Commercial Banking in Belize 1960 - 1980, Carla Barnett;
Statistical Digest 1982, Central Bank of Belize

Table 15

Central Bank Of Belize

Assets - 1976 - 1982

BZ \$000

	FOREIGN ASSETS					LOCAL ASSETS					Total Assets		
	IMF Reserve Tranche	Balances And Deposits	Credit Instruments	Government Securities	Other Assets	Total	Belize Government		Discounts And Advances			Other Assets	
							Treasury Bills	Other Securities	To Central Government	To Other Public Sector			Commercial Banks
6	-	8232	-	3449	270	11951	-	1000	1849	-	-	59	14859
7	-	8698	980	6027	-	15705	895	1467	2639	-	-	461	21167
8	-	15682	2600	4127	3490	25899	6162	623	-	-	-	172	32856
9	-	13170	3200	3480	400	20250	7131	1352	2963	-	-	137	31833
0	-	16946	3300	3504	1021	24771	7353	1308	3829	408	397	208	38274
1	-	13016	4000	3487	151	20654	14060	1408	12631	-	-	233	48986
2	2914	8749	6000	1911	136	19710	16663	2908	10187	-	-	780	50268

Source: Statistical Digest 1982, Central Bank of Belize.

Table 16

Central Bank of Belize

Liabilities - 1976 - 1982

BZ \$000

Year	Currency In Circulation		D E P O S I T S				Foreign Liabilities	Capital And Reserves	Other Liabilities	Total
	Notes	Coins	Total	Bankers	Gov't	Other				
1976	N/A	N/A	13644	-	-	-	-	640	575	14859
1977	12613	2529	15142	3434	-	-	3434	2002	70	21167
1978	16388	2814	19202	6222	492	25	6739	4739	18	32856
1979	16900	3031	19931	2963	-	25	2988	7985	23	31833
1980	18070	3172	31242	4756	1523	111	6390	9551	191	38274
1981	18984	3296	22280	9264	5339	34	14637	10460	1222	48986
1982	21176	3276	24452	12673	-	25	12698	11478	1256	50268

Source: Statistical Digest, 1982, Central Bank of Belize

N/A Not Available

TABLE 17
CENTRAL BANK ADVANCES TO PUBLIC SECTOR/GOVERNMENT CURRENT REVENUE

Year	Government Current Revenue BZ\$000	Central Bank Advances	BZ\$000	
	(1)	(2)	(2) ÷ (1)	%
1976	42,461	1,849	4.3	
1977	55,768	2,639	4.7	
1978	62,625	-	-	
1979	72,376	2,963	4.1	
1980	74,226	3,829	5.2	
1981	86,687	12,631	14.6	
1982	96,510	10,187	10.5	

Source: Estimates of Government Revenue and Expenditure 1977 - 1982;
Statistical Digest, 1982, Central Bank of Belize

TABLE 18

PUBLIC DEBT

BZ\$ Millions

Year	External Debt	Internal Debt	Total Debt
1976	28.8	7.7	36.5
1977	39.2	12.2	51.4
1978	60.4	18.4	78.8
1979	77.8	20.7	98.5
1980	94.6	27.6	122.2
1981	109.0	38.0	147.0
1982	141.4	47.7	189.1

Source: Economic Report on Belize, World Bank,
1982, 1983.

Statistical Digest 1982, Central Bank of Belize,

Table 19
Assets/GDP

Percentage

Year	Commercial Banks	Government Savings Bank	DFC
1972	59.12	2.70	0.51
1973	53.39	2.35	0.73
1974	46.21	1.76	2.89
1975	42.85	1.74	4.85
1976	49.37	2.21	8.20
1977	46.25	1.41	7.78
1978	59.59	1.92	11.38
1979	63.19	2.10	10.52
1980	58.47	1.75	10.32
1981	61.04	N.A	9.59
1982	76.39	N.A.	13.35

Sources: Tables: 2, 9 and 12
World Bank Economic Report
on 'Belize, 1983

N.A: Not Available.

TABLE 20
GOVERNMENT SECURITIES/TOTAL ASSETS

Year	Percentages			
	Commercial Banks	Government Savings Bank	Central Bank	Development Finance Corporation
1967	0.98	21.47	-	0.00
1968	0.61	19.84	-	0.00
1969	0.50	20.47	-	0.00
1970	0.50	20.47	-	0.00
1971	0.41	31.57	-	0.00
1972	0.33	30.23	-	0.00
1973	0.30	28.12	-	0.00
1974	0.25	25.93	-	0.00
1975	0.23	22.23	-	0.00
1976	0.20	18.11	6.73	0.00
1977	3.65	24.26	11.16	8.50
1978	6.77	19.32	20.65	0.00
1979	0.50	15.39	26.65	0.00
1980	5.30	15.00	22.63	0.00
1981	1.55	n.a.	31.57	0.00
1982	1.06	n.a.	38.97	0.00

Source: Tables 2, 9, 12 and 15
n.a. not available

TABLE 21
ASSETS OF FINANCIAL INSTITUTIONS/TOTAL ASSETS*

Year	Total BZ\$000	Percentage				
		Commercial Banks	Development Finance Corporation	Government Savings Bank	Holy Redeemer Credit Union	
1967	19.9	81.9	1.5	11.2	5.4	
1968	30.1	86.7	1.1	8.0	4.2	
1969	36.2	88.3	0.9	6.6	4.2	
1970	42.7	89.3	0.9	5.6	4.2	
1971	44.8	89.2	1.0	5.1	4.7	
1972	55.2	90.2	0.8	4.1	4.9	
1973	60.5	89.5	1.2	4.0	5.3	
1974	75.7	86.3	5.4	3.3	5.0	
1975	86.9	82.0	9.3	3.3	5.4	
1976	101.6	78.0	12.9	3.5	5.6	
1977	110.9	78.2	13.1	2.4	6.3	
1978	134.9	76.7	14.7	2.5	6.1	
1979	160.9	78.3	13.0	2.6	6.1	
1980	184.9	77.8	13.7	2.3	6.2	
1981	208.5	77.5	14.4	2.0	6.1	

Source: Tables 2, 6, 9, and 12

* Total Assets refers to total for those institutions listed in table.