



FOR IMMEDIATE RELEASE

Press Briefing on Central Bank and the Economy

Guided by the Central Bank Act, the mission of the Central Bank is to promote the stability of monetary and financial systems for the wellbeing of Belize. Monetary stability and financial stability are the twin mandates of the Central Bank.

Belize City, 06 September 2023: The Governor of the Central Bank of Belize, Mr. Kareem Michael, today addressed the media in a comprehensive press briefing on the role of the Central Bank and the current state of economy. The Central Bank is expanding its communication strategy to include regular press briefings as a communication tool to engage with the media and the Belizean public on economic and central banking issues.

During the briefing, Governor Michael stated that managing the pool of foreign reserves given the country's high degree of trade openness, is critical in maintaining the exchange rate peg. On that, he stated that the levels of both gross official reserves of the Central Bank and the foreign assets of authorized dealers are healthy with an import coverage of 4.4 months, safely above the 3-month benchmark. On the administration front, the Central Bank will continue to modernize the exchange control framework to improve the ease of doing business.

He further noted that regulating the landscape of 85 financial institutions valued at over BZ\$6.6 billion is a challenging task given the increasing interconnectedness of the system. Nonetheless, Governor Michael noted an improvement in non-performing loans, particularly after the COVID-19 pandemic, as well as capital positions of the domestic banks above the 9% international benchmark.

In his address, Governor Michael also spoke on the macroeconomic outlook with the medium-term growth exceeding the long-term rate of productivity. The recovery and projected buoyancy in the tourism sector will continue to have positive spillovers on transportation, accommodation, retail and business services. Additionally, foreign exchange earnings from the business process outsourcing sector will remain strong over the period.

The press briefing provided a valuable opportunity for journalists and the Belizean public to gain insights into the Central Bank's strategic initiatives, as well as its mandate to promote the stability and security of the financial system for the well-being of all Belizeans.

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