CENTRAL BANK of BELIZE

JUNE 2023 QUARTERLY REVIEW

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List of Acronyms and Abbreviations

Acronyms:

BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
CARICOM	Caribbean Community
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance, and Freight
COVID-19	Coronavirus Disease 2019
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
DOD	Disbursed Outstanding Debt
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
MOF	Ministry of Finance
OPEC	Organization of Petroleum Exporting Countries
SDR	Special Drawing Rights
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
T-bills	Treasury bills
T-notes	Treasury notes
US	United States
VPCA	Venezuelan Petrocaribe Agreement

Abbreviations and Conventions:

$	Belize dollar unless otherwise stated
bn	billion
bps	basis points
mn	million
ps	pound solids
Y-o-Y	year on year
YTD	year to date

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 2023 figures in this report are provisional and the figures for 2022 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 2023 are based on the Central Bank's forecast.

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Summary of Economic Indicators

Money Supply

Broad Money Supply	Net Foreign Assets	Net Domestic Credit
June 2023	June 2023	June 2023
+5.0%	**+17.6%**	**-0.8%**
YTD change on December 2022	YTD change on December 2022	YTD change on December 2022

Liquidity and Interest Rates

Excess Cash	New Deposit Rates	New Lending Rates
June 2023	June 2023	June 2023
$469.9mn	**2.03%**	**8.62%**
+5.9% change on December 2022	**+13** bps change on June 2022	**-13** bps change on June 2022

Real and External Sectors

GDP	CPI	Unemplyment Rate
January - June 2023	January - June 2023	April 2023
+5.6%	**+5.0%**	**2.8%**
Y-o-Y change on same period of the previous year	YTD change on the same period of the previous year	Persons in the labour force classified as unemployed

Current Account Surplus	Tourist Arrivals	Reserve Import Coverage
January - June 2023	January - June 2023	June 2023
$100.0mn	**+23.6%**	**4.4**
+214.1% YTD change on same period of the previous year	YTD change on the same period of the previous year	months equivalent of merchandise imports

Central Government Operations and Public Debt

Primary Surplus	Domestic Debt	External Debt
April - June 2023	January - June 2023	January - June 2023
$45.9mn	**-$5.2mn**	**+$89.4mn**
0.7% of GDP for the quarter	**$1,310.4mn** at June-end, 21.3% of GDP	**$2,816.6mn** at June-end, 45.9% of GDP

Overview

International Overview

Global growth slowed over the first half of 2023 as major central banks tightened financial conditions after inflation reached multidecade highs across regions a year ago. Inflation started to fall worldwide, owing to the easing of cost pressures from high energy prices and supply bottlenecks as well as the dampening of demand in response to monetary policy tightening. Global output was driven mainly by the services sector, particularly in emerging markets and developing economies, which compensated for weakened international trade and investment activities in advanced economies and China.

<u>Advanced Economies</u>

In the United States (US), real gross domestic product (GDP) strengthened by 2.4% in the second quarter of 2023, when compared to the same period last year. The robust performance was supported by heightened consumer and government spending, coupled with an increase in net exports. Inflationary pressure continued to ease, with the US consumer price index (CPI) rising by 3.0% over the year ending June 2023, the smallest 12-month increase since March 2021. The upward pressure was attributable mainly to rising food prices, as energy costs declined from the previous year's high. US labour market conditions remained tight but showed signs that labour demand and supply were aligning, as the unemployment rate changed slightly over the quarter, settling at 3.6% in June. In support of its dual mandate, the Federal Reserve raised the federal funds rate by 25 basis points three times between January and June to a range of 5.00% to 5.25%, after being near zero in the first quarter of 2022.

The United Kingdom's economic output edged up by 0.4% compared to the same quarter in 2022. The subdued economic growth was driven primarily by upticks

Chart 1.1: Quarterly GDP
Growth Rates Over the Same Quarter of the Previous Year for Selected Advanced Economies

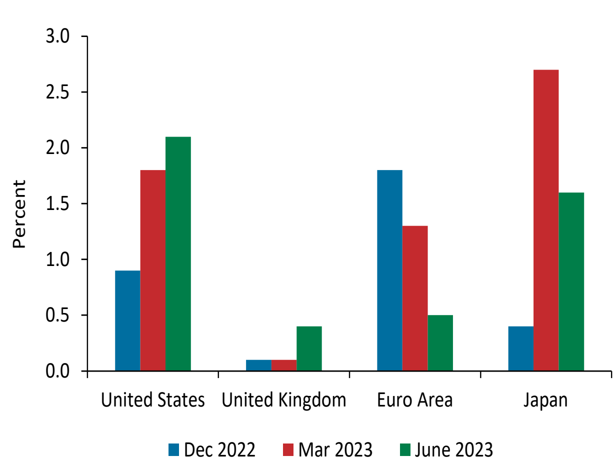
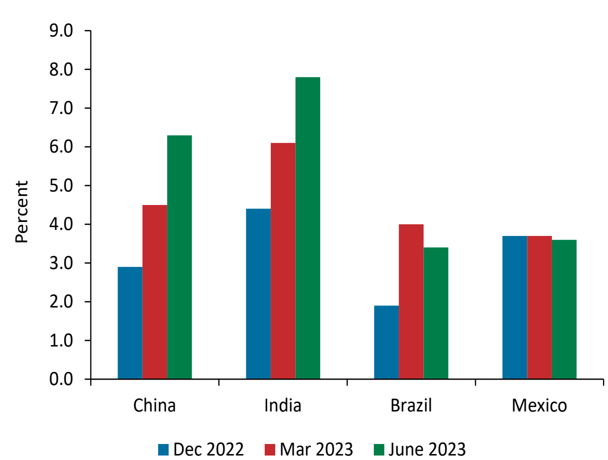


Chart 1.2: Quarterly GDP
Growth Rates Over the Same Quarter of the Previous Year for Selected Emerging Economies



in manufacturing, fuelled by falling input prices, while output from the services sector was mixed. Growth in the euro area slid to 0.5% during the second quarter of the year compared to a 4.2% expansion in the same quarter of the previous year. This marginal uptick was spurred by heightened investments and government spending, and reflected mixed outcomes among the 20 member states. The largest increases were registered in Greece (2.7%) and Portugal (2.5%), while Estonia (3.0%) and Luxembourg (1.7%) had the largest declines in output. At 1.6%, Japan's economy expanded at nearly the same rate as last year (1.7%), driven by auto exports and tourist arrivals.

Emerging Economies

India's economy grew by 7.8%, the fastest rate among major emerging markets, but trailing the 11.9% expansion recorded in the corresponding period of 2022. This growth was largely driven by upticks in services and construction, alongside mining and quarrying activities. China's growth accelerated by 6.3% in the second quarter, reflecting a modest recovery from the low base arising from the adverse effects of the COVID-19 lockdown around this time last year. The economic expansion was supported by rebounds in tourism, leasing and business services, and information technology industries, as consumer spending slowed and real estate investment plunged. Brazil's output rose by 3.4% compared to the second quarter of last year, underpinned by a rebound in household spending and services, following the strong performance of agricultural production in the first quarter. Finally, Mexico recorded a 3.6% upturn in real GDP, attributable to expansions in services and construction.

Caribbean Economies

Growth in tourism-oriented Caribbean countries was solid during the first half of the year, bolstered by increases in international visitors to the region. The Barbadian economy grew by 3.9%, as tourist arrivals from all major source markets edged towards pre-pandemic figures, creating positive spill-over effects in other services and construction. Jamaica's output increased by 2.3%, driven by mixed growth in both services and goods-producing industries. Turning to The Bahamas, increases in tourism and foreign direct investments coupled with post-hurricane construction activities stimulated the economy, hoisting the growth past 2019's level.

Domestic Overview

Real Sector Developments

Belize's GDP grew by 2.6% for the second quarter of 2023 relative to the same quarter a year ago, resulting in a 5.6% expansion for the first half of 2023. In comparison, the economy had grown by 8.5% in the first six months of 2022, with the 2023 outturn signalling a deceleration in economic activities. The expansion so far in 2023 was due primarily to strong performance in the services sector, led by the continued rebound in tourism, three years after plunging due to the pandemic. The growth pace was slowed by declines in non-consumer facing industries, particularly agricultural crop production, mining activities, manufacturing output, and electricity generation.

Money and Credit

For the first half of the year, broad money supply (M2) grew by 5.0% compared to last year's 3.0% outturn. This acceleration in money growth was driven by a robust accumulation of foreign assets in the banking system, reflecting an upsurge in tourism inflows into domestic banks, coupled with a rise in external loan proceeds at the Central Bank. Domestic banks' $185.1mn (33.5%) growth accounted for 69.2% of the overall $267.4mn expansion, while the Central Bank's $82.3mn increase accounted for the remaining 30.8%. Meanwhile, net domestic credit dipped by $26.9mn (0.8%), as downturns in net credit to Central Government ($62.7mn) and other public sector entities ($1.3mn) outstripped a $37.1mn increase in lending to the private sector.

Domestic banks further strengthened their aggregate liquidity buffer over the review period. The uptick in foreign balances precipitated an $82.0mn expansion in excess liquid asset holdings to $785.0mn, which was 96.0% above the secondary reserve requirement. Conversely, excess cash reserves fell by $29.4mn to $469.9mn but were 185.7% above the primary reserve requirement.

The 12-month (rolling) weighted average lending rate fell by 13 basis points to 8.62%, while the corresponding rate paid on new deposits rose by 13 basis points to 2.03%. Lending rates eased in all categories except mortgages, which increased by 10 basis points. Meanwhile, interest paid on savings/chequing deposits rose by 56 basis points but was tempered by declines in time and savings deposit rates. Consequently, the weighted average interest rate spread narrowed by 27 basis points to 6.60%.

International Trade and Payments

The external current account balance improved significantly, swinging from a deficit of $87.7mn for the first half of 2022 to a surplus of $100.0mn for the first six months of 2023. This turnaround was due largely to the strong growth in tourism earnings, which outstripped the widening trade deficit in goods. Net capital inflows dipped marginally to $22.0mn as a result of a downturn in grants from a multilateral development bank as large grant-funded infrastructural projects wound down. Furthermore, the overall balance on the financial account netted an $18.2mn increase in liabilities compared to a $117.4mn expansion in the corresponding period of 2022. The marginal growth in net liabilities resulted as the sharp rise in domestic banks' foreign assets tempered the impact of liabilities arising from additional net foreign direct investments and net public sector borrowings. Consequently, the gross international reserves rose by $60.8mn to $1,025.7mn at the end of June, equivalent to 4.4 months of merchandise import coverage.

Government Operations and Public Debt

The Central Government's fiscal stance during the first quarter (April – June) of the current 2023/24 fiscal year (FY) loosened somewhat, as revenues grew at a slower pace than expenditure. In this quarter, Central Government narrowly achieved an overall surplus of $1.6mn (0.01% of GDP), while the primary surplus fell to $45.9mn (0.7% of GDP) from $65.7mn (1.1% of GDP). On the one hand, revenues and grants rose by 6.5% to $365.6mn on account of heightened tax revenues, supported by the ongoing economic expansion and the culmination of the tax subsidy on fuels. On the other hand, total expenditure grew by 18.0% to $364.1mn, driven by higher debt service payments, the rising costs of goods and services, and the restoration of public officers' emoluments and allowances.

Between January and June, the total public sector debt rose by 2.1% ($84.2mn) to $4,127.0mn (67.2% of GDP). The marginal rise in debt stock was underpinned by an $89.4mn increase in the public sector's external debt to $2,816.6mn (45.9% of GDP), as Central Government's domestic debt dipped by $5.2mn to $1,310.4mn (21.3% of GDP).

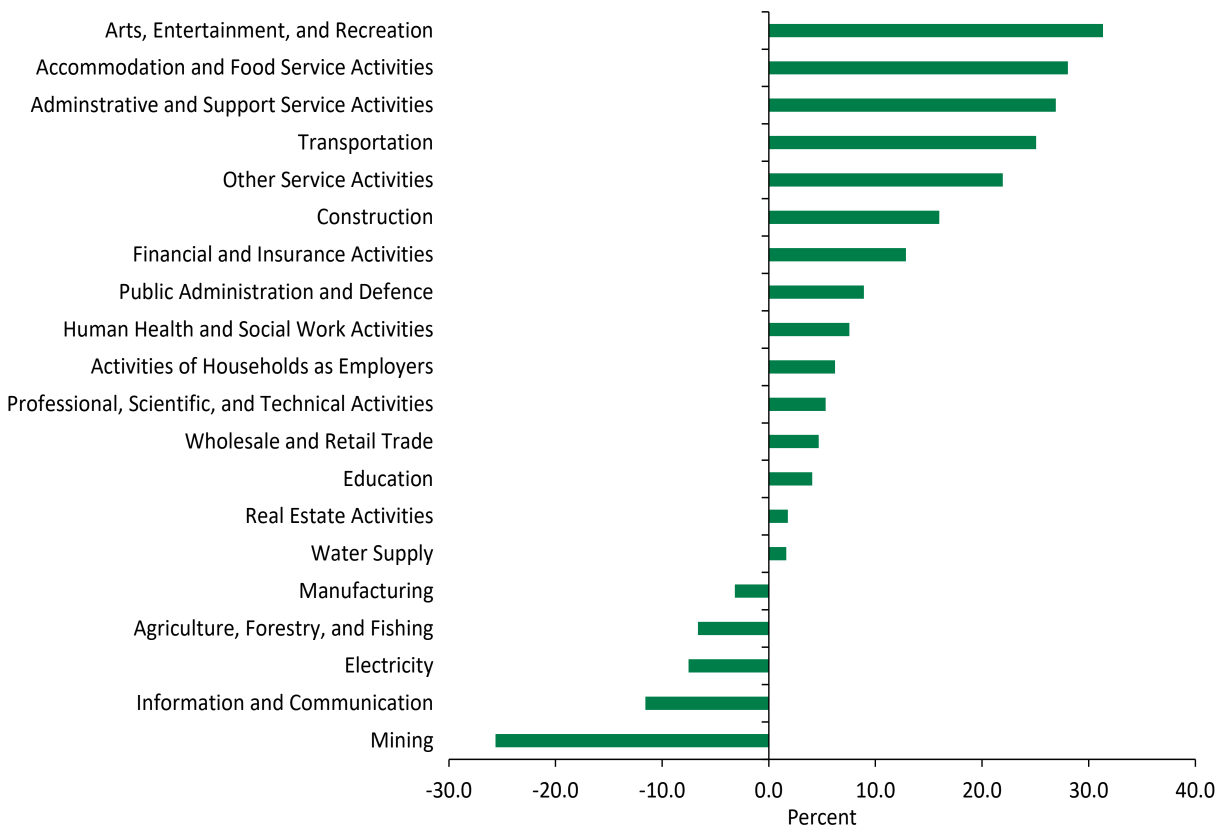
Domestic Production and Prices

Real Gross Domestic Product

Belize's economy grew by 2.6% for the second quarter of 2023 relative to the same quarter one year ago, marking the slowest quarterly outturn since the pandemic rebound began in mid-2021. The moderation in economic activity resulted in a 5.6% expansion in the first half of 2023, decelerating from 8.5% in the first six months of 2022. Growth was driven by heightened output in the services sector, owing mainly to the robust rebound in tourism and increases in construction and water supply activities. Meanwhile, downturns in agricultural crop production, mining activities, manufacturing output, and electricity generation weighed down the growth momentum.

Compared to the first half of 2022, tertiary output expanded by 10.5%, supported by broad-based growth across industries within the sector. The sustained rebound in overnight and cruise arrivals led to robust increases in the value-added contribution of the "*Accommodation and Food Service Activities*" and "*Transportation*" industries, which rose by 28.1% and 25.1%,

Chart 2.1: Real GDP Growth Rates for the First Half of 2023 Compared with the Same Half of the Previous Year



respectively. Meanwhile, heightened re-exports at the commercial free zone (CFZ) lifted "*Wholesale and Retail Trade*" by 4.7%. Upticks in banking services and call-centre activities propelled "*Financial and Insurance Activities*" and "*Administrative and Support Service Activities*" expansions by 12.9% and 26.9%, respectively.

Furthermore, secondary sector output rose by 2.6%, as increased contributions from construction activities and water distribution more than compensated for a decline in manufacturing and electricity production. "*Construction*" and "*Water Supply*" expanded by 16.0% and 1.6%, respectively, while "*Manufacturing*" and "*Electricity*" contracted by 3.2% and 7.5%, respectively. Manufacturing was suppressed by reductions in food processing activities, stemming from declines in citrus and sugarcane deliveries, which overshadowed gains from heightened beverage production.

In contrast, primary sector activities contracted by 8.8%, pinned down by decreases in agriculture and mining activities. Crop diseases, adverse weather, high input costs, and labour shortages stymied crop production, causing "*Agriculture, Forestry, and Fishing*" to fall by 6.7%. Additionally, "*Mining*" plummeted by 25.6% due to reduced crude oil extraction.

Sugarcane and Sugar

Sugarcane deliveries for the crop year to date (December to June) fell by 4.4% to 1,485,129 long tons, as both mills received less cane this cycle than in the previous harvest period. Consequently, sugar production fell by 8.9%, inhibited by fewer deliveries and lower cane quality, arising primarily from unfavourable weather.

In the north, the 2022/2023 harvest ended on 15 June, 44 days earlier than the previous crop. As a result, sugarcane deliveries contracted by 14.2% to 981,915 long tons, squeezing sugar production by 16.3% to 103,221 long tons and weakening the long-tons cane to long-ton sugar (TC/TS) ratio by 2.5% to 9.5. Additionally, molasses production fell by 15.6% to 34,981 long tons.

In the west, sugarcane deliveries declined by 11.1% to 503,213 long tons for the year to date. This outturn resulted in a 16.1% downturn in sugar production to 40,869 long tons, reflecting a 6.0% deterioration in the TC/TS ratio to 12.3. Nevertheless, molasses production dipped by only 0.7% to 18,941 long tons.

Citrus

Citrus deliveries for the 2022/2023 crop year to date (October 2022 to June 2023) nosedived by 75.5% to 340,833 boxes, hindered by citrus greening, rising input costs, and chronic farm labour shortages. When disaggregated, orange deliveries plunged 77.6% to 279,280 80-pound boxes, while grapefruit deliveries plummeted 57.0% to 143,188 90-pound boxes.

With the significant decline in fruits, citrus juice production was down 79.0% to 1.6mn pound solids (ps). This outturn reflected a 12.5% reduction in the average juice outturn from 5.5 ps to 4.8 ps. Orange concentrate output was hit hardest, tumbling 80.7% to 1.4mn ps. Meanwhile, grapefruit concentrate production dropped 57.6% to 0.2mn ps. Outturns of citrus by-products also suffered, with citrus pulp and oil down by 92.9% and 76.1% to 0.1mn pounds each, respectively.

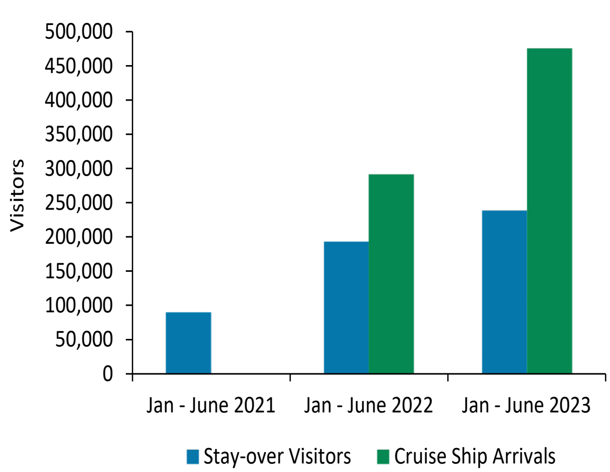
Banana

Banana production for export markets amounted to 25,489 metric tons during the first six months of 2023, contracting by 42.6% when compared to the same period of 2022. Slackened farm management practices due to higher input costs and farmhand shortages worsened the spread of the Black Sigatoka disease, which suppressed fruit production.

Tourism

International tourist arrivals continued to grow and reached closer to 2019's level. The World Tourism Organization estimates a recovery of up to 95.0% of pre-pandemic arrival levels for 2023 in aggregate, with varying degrees of achievement across regions.

Chart 2.2: Tourist Arrivals



Sources: BTB, CBB, and Immigration and Nationality Department.

For the first half of the year, stay-over arrivals in Belize increased by 23.6% to 238,783 visitors, reaching 90.9% of 2019's pre-pandemic level for the same period of the year. Arrivals increased across the three modes of transportation. Accordingly, sea arrivals more than tripled to 7,527 visitors; land arrivals almost doubled to 35,103 visitors; and air arrivals grew by 13.8% to 196,153 visitors.

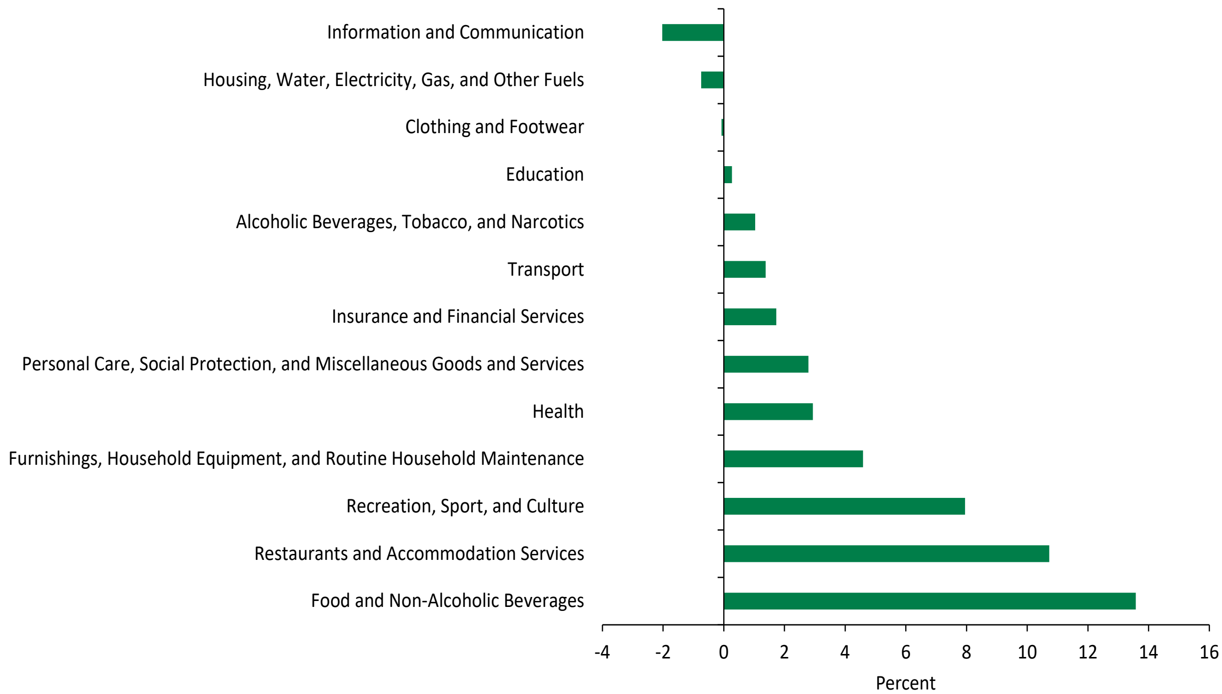
Regarding source markets, 72.8% of stay-over arrivals originated from the US, reflecting a 7.9 percentage point drop relative to the same period of 2022, as visitors from other countries ramped up after lockdown measures eased. Conversely, European and Canadian visitors' shares inched up by 3.4 and 2.1 percentage points to 10.2% and 6.1%, respectively.

Cruise ship disembarkations rose by 63.0% for the first six months of 2023 to 475,671 passengers, buoyed by a 21-ship increase in port calls to 184. The Fort Street Tourism Village received 139 calls, 33 more than the same period a year ago. In contrast, Harvest Caye received 45 ships, 12 less than the same period last year.

Consumer Price Index

The overall increase in consumer prices averaged 5.0% for the first half of 2023, trending downwards from 5.6% for the same period of 2022. At this level, the CPI was still significantly above the 10-year average (2010-2019) of 0.7% before the onset of COVID-19. The upward inflationary pressure was driven primarily by rising food costs, as retail fuel prices declined markedly after rising significantly following Russia's invasion of Ukraine in February 2022. The "*Food and*

Chart 2.3: Consumer Price Index

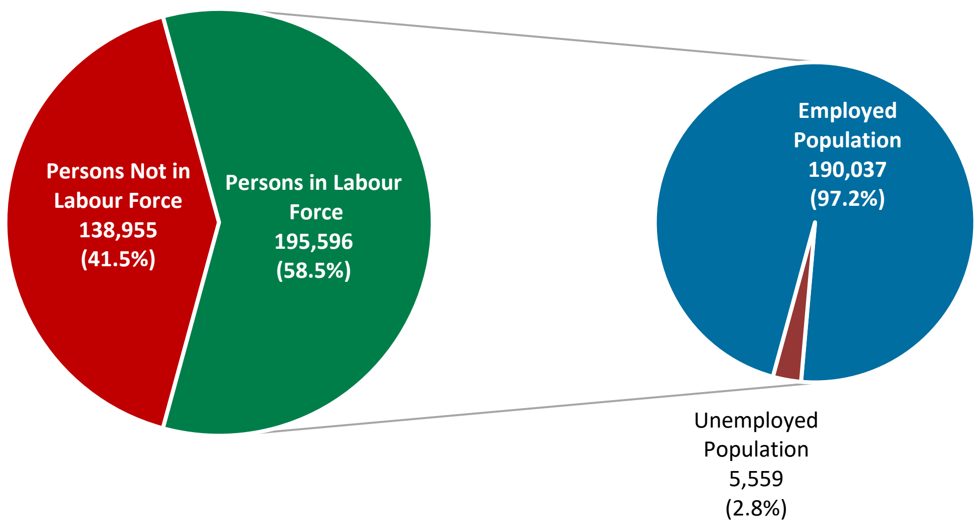


Non-Alcoholic Beverages" subindex rose by 13.6%, accounting for 52.7% of the total increase in the weighted change of the all-items index. Increased costs of cereals, fresh vegetables, cooking oils, and dairy products drove up prices within this category, owing largely to supply-side factors. The "*Recreation and Culture*" and "*Furnishing, Household Equipment, and Routine Household Maintenance*" subindices were next, having increased by 7.9% and 4.6%, respectively. Heightened pet food and entertainment costs drove up prices in the former, while elevated costs of domestic services pushed up the latter. Additionally, smaller weighted increases were recorded in "*Health*" (2.9%), and "*Personal Care, Social Protection, and Miscellaneous Goods and Services*" (2.8%), and "*Transport*" (1.4%). However, the disinflationary trend was underpinned by a 0.7% drop in "*Housing, Water, Electricity, Gas, and Other Fuels*," due mainly to downturns in liquefied petroleum gas prices, as well as declines in *"Information and Communication"* and *"Clothing and Footwear"* by 2.0% and 0.1%, respectively.

Employment

The unemployment rate dropped to a record low of 2.8% in April 2023 from the previous high of 5.0% in October 2022. Over the six months, the number of unemployed persons decreased by 42.4% (4,085) to 5,559, the lowest level on record. Conversely, employed persons rose by 4.4% (7,953) to 190,037. With 3,868 persons entering the labour force, the labour force grew by 2.0% to 195,596 persons. However, the number of persons not in the labour force grew by a larger margin of 3.1% to 138,955. Consequently, the labour force participation rate edged down from 58.7% in October 2022 to 58.5% in April 2023. Female participation in the labour force

Chart 2.4: Labour Force

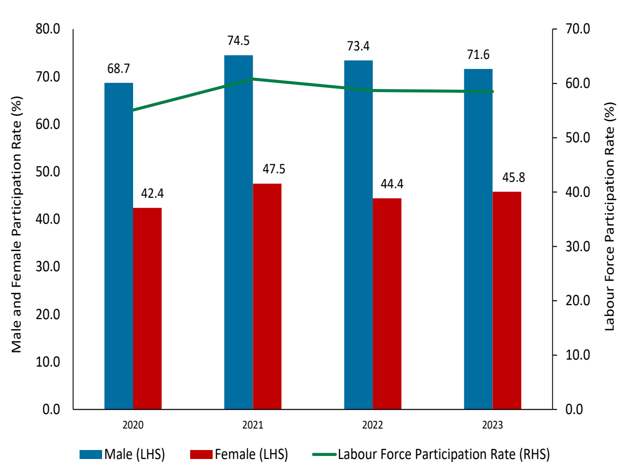


amounted to 45.8% versus 71.6% for males. The prominent reason females cited for not participating in the labour force was tied to domestic duties.

Employment grew modestly across all three major industrial groupings. The number of employed persons in the services sector rose by the most significant margin, up 5.2% to 131,634 persons. Meanwhile, the primary and secondary sectors recorded gains of 4.5% and 3.1%, reaching 25,122 and 31,615 persons, respectively.

Although more males were employed within each industrial group, female employment grew at a faster pace than males, with the gap in employment between both genders almost closing in the services sector. Compared to the previous labour force survey of October 2022, the level of female employment rose by 10.2% versus 1.5% for males. In the primary sector, males outnumbered females by more than 8 to 1. However, female employment within the sector jumped by 10.4% compared to 3.9% for males. In secondary sector, where males outnumbered females by about 4 to 1, female employment accelerated by 6.6%, a much faster clip than the 2.3% increase for males. Among service industries, female employment grew by 10.6%, significantly higher than the 0.4% lift for males, narrowing the gap between male and female employment by 10.1 percentage points to 1.3%.

Chart 2.5: Labour Force Participation Rate 2020 - 2023



Sources: SIB

Money and Credit

Money Supply

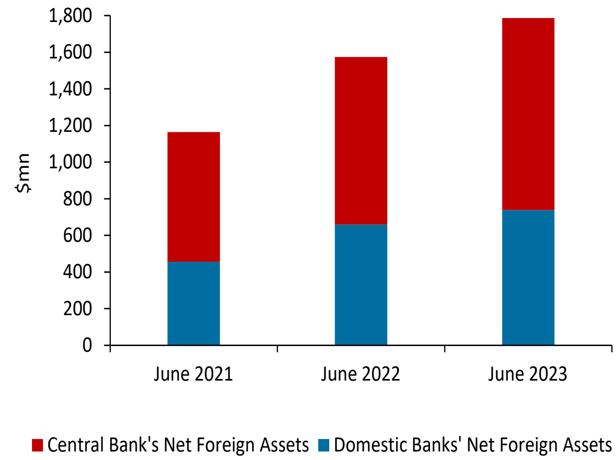
M2 growth accelerated to 5.0% ($208.5mn) for the first half of 2023 to $4.4bn, outpacing the 3.0% ($117.8mn) outturn recorded for the first six months of 2022. The marked increase was due to an exceptional rise in the banking system's net foreign assets, which overshadowed a modest reduction in net domestic credit.

From a liabilities perspective, the M2 expansion stemmed from increases in both narrow money (M1) and quasi-money by $183.9mn and $24.6mn, respectively. The rise in M1, the more liquid component of money supply, was underpinned by a $158.4mn increase in demand deposits, while currency with the public and savings/chequing deposits grew by $25.4mn and $0.1mn, respectively. The surge in demand deposits was mostly attributed to reclassifications of time deposits to this category, increased holdings for utility companies and other private entities, and inflows to a regional organisation. Meanwhile, the modest growth in quasi-money occurred as a $72.2mn rise in savings deposits outstripped a $47.6mn decline in time deposits. The upturn in savings deposits reflected increases for individuals and business enterprises, while a fall-off in time deposits resulted largely from the reclassification of a large time deposit to the demand deposit category.

Net Foreign Assets

The net foreign assets of the banking system skyrocketed, rising by $267.4mn (17.6%) over the semester to $1,786.8mn, representing

Chart 3.1: Net Foreign Assets of the Banking System



the largest nominal increase registered for the first half of any year on record. This unprecedented growth was propelled by a rapid increase in domestic banks' foreign currency holdings, which accounted for 69.2% of the total expansion, while the Central Bank contributed 30.8%.

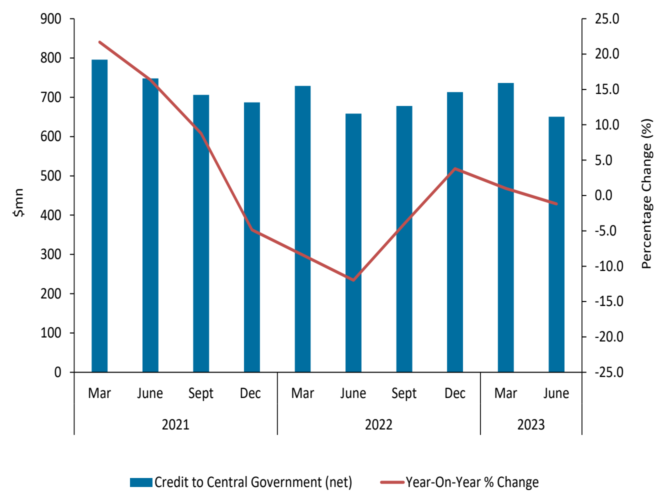
Domestic banks' net foreign assets jumped by $185.1mn (33.5%) to $737.9mn over the six-month period, almost tripling the $62.7mn increase recorded during the first six months of 2022. Heightened receipts from tourism, the CFZ, and business process outsourcing activities supported the extraordinary outcome.

Similarly, the Central Bank's net foreign assets strengthened by $82.3mn (8.5%) to $1,048.9mn, exceeding the billion-dollar mark for the first time since August 2015. This increase was mainly due to heightened receipts from external loans and sugar exports, which amounted to $130.5mn and $53.0mn, respectively.

Net Domestic Credit

Net domestic credit contracted by $26.9mn (0.8%) to $3,193.9mn for the first two quarters of the year, owing to decreases in credit to Central Government (net) and other public sector corporations. However, the aggregate decline was partially offset by an increase in private-sector lending. Net credit to the Central Government from the banking system fell by $62.7mn (8.8%) to $650.5mn, reflecting reductions in financing from domestic banks and the Central Bank. Net credit to the Central Government from domestic banks slipped by $31.8mn, as their holdings of Government securities shrank by $24.2mn. The latter included reductions of $16.2mn and $8.0mn in Treasury bills (T-bills) and Treasury notes (T-notes), respectively. Meanwhile, net credit from the Central Bank contracted by $30.9mn, owing to a $55.3mn accumulation in Central Government's deposits at the Central Bank, which partly offset a $24.4mn increase in the Central Bank's holdings of Government securities. The Central Bank's securities portfolio grew primarily on account of its acquisition of newly issued $14.0mn three-year fixed rate T-notes in June. The proceeds from this purchase were used to finance the Government's first principal repayment on the US-denominated $30.0mn five-year T-notes.

Chart 3.3: Net Credit to Central Government



Domestic banks' credit to other public sector entities fell by $1.3mn (1.5%) to $86.0mn over the first six months of 2023—a reversal from the $26.2mn increase recorded at the half-year mark in 2022. The decline was mainly due to $3.0mn in net repayments by a public utility company. These amortisation payments overshadowed new disbursements of $0.9mn and $0.4mn to local governments and statutory bodies, respectively, and a bank's purchase of $0.4mn in the Belize City Council's municipal bonds.

Underpinned by a $38.5mn boost in June, domestic banks' lending to the private sector expanded by $36.3mn (1.5%) to $2,449.7mn for the first half of 2023, surpassing the $21.1mn growth realised in the same period of 2022. New disbursements were

Chart 3.2: Domestic Banks' Private Sector Credit

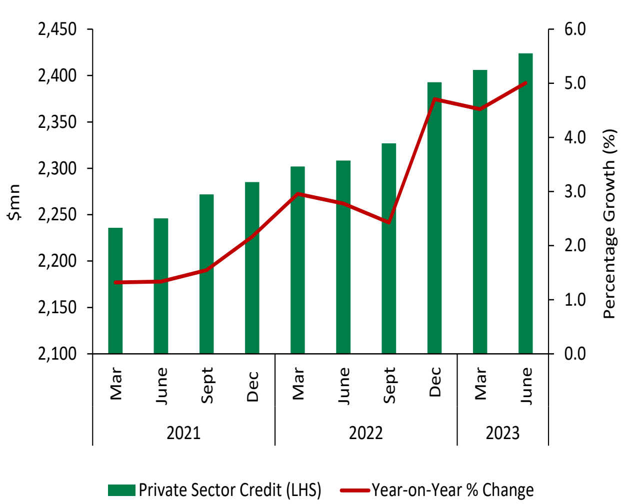
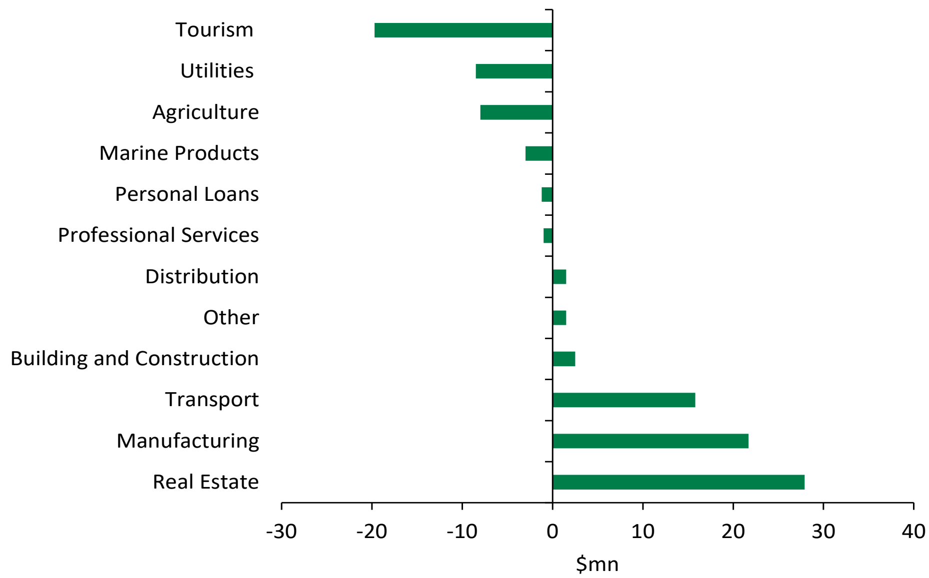


Chart 3.4: Change in Domestic Banks' Loans and Advances, Jan - June 2023



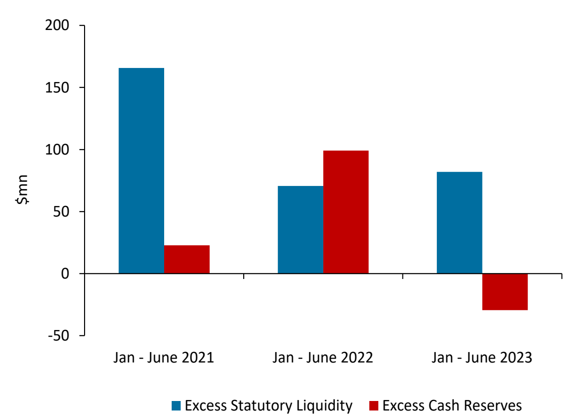
mainly channelled to tertiary and secondary industries, namely real estate ($27.9mn), manufacturing ($21.7mn), and transport ($15.8mn), which outstripped declines in tourism ($19.7mn), private utilities ($5.5mn), and agriculture ($8.0mn).

The asset quality of domestic banks improved over the two quarters, with the ratio of non-performing loans (net of specific provisions) to total gross loans (NPL ratio) declining by 0.7 percentage points to 2.7% from 3.5% at the end of 2022. Loan write-offs totalled $17.4mn, which was nearly double the $9.0mn recorded for the same period last year. Most of these write-offs affected non-performing loans issued for tourism ($11.4mn), construction ($2.6mn), and personal ($2.3mn) purposes. Furthermore, domestic banks' return on assets (ROA) rose by 1.6 percentage points from 0.3% to 1.8%.

Bank Liquidity

Domestic bank liquidity continued to rise over the year to date, driven by the strong growth in net foreign assets. This led to an $82.0mn increase in domestic banks' excess liquid assets to $785.0mn, equivalent to 96.0% above the secondary reserve requirement. However, excess cash reserves fell by $29.4mn to $469.9mn but

Chart 3.5: Changes in Bank Liquidity



were 185.7% higher than the primary (cash) reserve requirement. This resulted as higher demand for currency and net transfers to Central Government outweighed a reduction in securities holdings.

Interest Rates

At 8.62%, the 12-month weighted (rolling) average interest rate on new loans rose by seven basis points during the second quarter of 2023, resulting in a 13-basis-point decline for the year ending June 2023. The downturn over the 12 months was attributable to rate declines across all loan categories, except for residential construction, which grew by 10 basis points. Rates on "other" miscellaneous, personal, and commercial loans plummeted by 40, 39, and 10 basis points, respectively.

At 2.03%, the 12-month weighted average interest rate on new deposits grew by 8 basis points this quarter and 13 basis points over the 12-month-period ending June 2023. Higher deposit rates over the year were due to a 56-basis-point rise in savings/chequing deposit rates, which was partially offset by a 14- and two-basis-point rate reduction on time and savings deposits, respectively. Additionally, there was no change in demand deposit rates. Consequently, the weighted average interest rate spread narrowed by 27 basis points to 6.60%.

Credit Union Lending

In other credit developments, aggregate credit union lending dipped by $2.0mn (0.3%) to $657.5mn over the year to date, a reversal from the $5.7mn increase during the first six months of 2022. The downturn in aggregate loan portfolios was mainly attributable to repayments and write-offs on personal ($17.0mn), distribution ($3.0mn), and manufacturing ($0.4mn) loans, which slightly outweighed new disbursements

Chart 3.6: Change in Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits

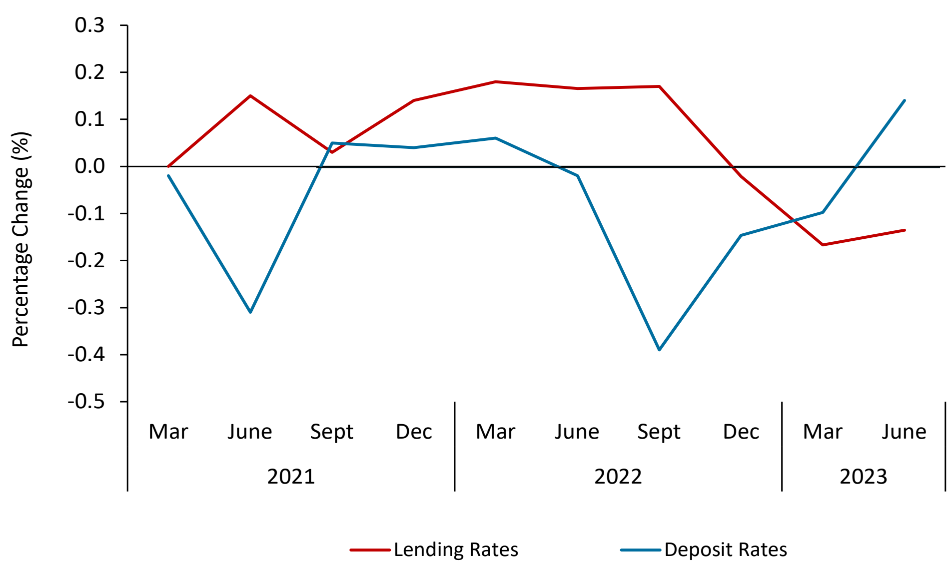
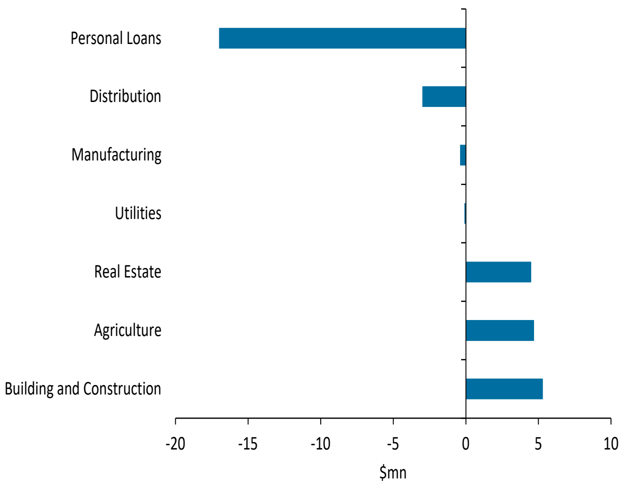


Chart 3.7: Change in Credit Unions' Loans and Advances, Jan - June 2023



for building and construction ($5.3mn), agriculture ($4.7mn), and real estate ($4.5mn) activities.

Credit unions' asset quality weakened, as their NPL ratio rose from 0.9% at year end in 2022 to 2.3% in June. Write-offs of non-performing loans totalled $5.4mn, which was markedly higher than the $3.6mn registered for the same period last year. Write-offs were mainly applied against building and construction ($2.6mn), personal ($2.1mn), and real estate ($0.3mn) loans. Nevertheless, credit unions' ROA increased by 0.3 percentage points from 3.2% to 3.5%.

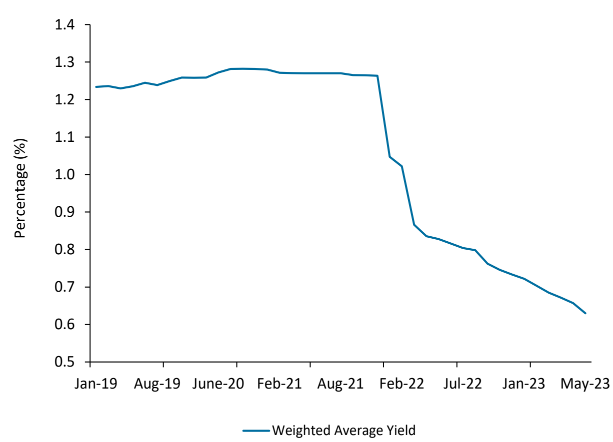
Development Bank Lending

In contrast, the Development Finance Corporation's stock of outstanding loans inched up by $5.6mn (4.2%) to $140.4mn over the review period, slowing from the $8.3mn increase registered across the same period of 2022. This modest expansion reflected new loan facilities for agriculture ($4.4mn), construction ($1.3mn), professional services ($1.0mn), and other miscellaneous uses ($2.4mn). However, reduced balances on manufacturing ($3.5mn), student ($0.3mn), and tourism ($0.1mn) loans tempered the overall increase.

Open Market Operations

The Central Bank continued to implement its active yield curve management strategy aimed at maintaining domestic debt servicing costs in alignment with market and credit conditions conducive to growing the economy. Increased competition among market participants led to a 10-basis-point decrease in the weighted average yield to 0.62999% during the first six months of 2023. Additionally, domestic banks' T-bill holdings fell by $16.2mn to $98.2mn. The Central Bank acquired portions of domestic banks' securities over several roll-over auctions, raising its T-bill holdings to $138.9mn. Hence, domestic banks' share of outstanding T-bills fell by 6.6 percentage points to 40.1%, while the Central Bank's portion rose to 56.7%. Non-bank entities retained their 3.2% share.

Chart 3.8: Treasury Bill Yields

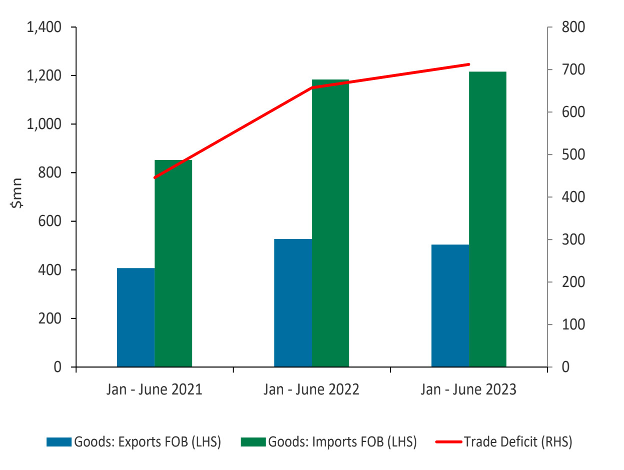


International Trade and Payments

The external current account balance swung to a surplus of 1.6% of GDP ($100.0mn) for the first half of 2023 from a deficit of 1.5% of GDP ($87.7mn) in the same period of 2022. This was the first surplus recorded at the half-year mark since 2013, which, at that time, was attributable to heightened tourism earnings and transactions associated with the second sovereign debt restructuring programme. This year's improvement was linked to a substantial increase in tourism earnings and, to a lesser extent, a sharp reduction in international freight payments. Heightened inflows to regional organisations, upticks in inward remittances and re-insurance claims, and a downturn in profit repatriation also contributed to the turnaround. These favourable developments easily outweighed a modest expansion in the trade deficit in goods.

Meanwhile, net capital inflows narrowed slightly to $22.0mn, with major grant-financed infrastructural projects winding down. Furthermore, net liabilities on the financial account rose by only $18.2mn, as a rise in net external public sector borrowings coincided with a reduction in net direct investments and an upswing in domestic banks' net foreign assets. Over the six months, the gross international reserves rose by $60.8mn to $1,025.7mn, the equivalent of 4.4 months of merchandise import coverage.

Chart 4.1: Trade Deficit in Goods



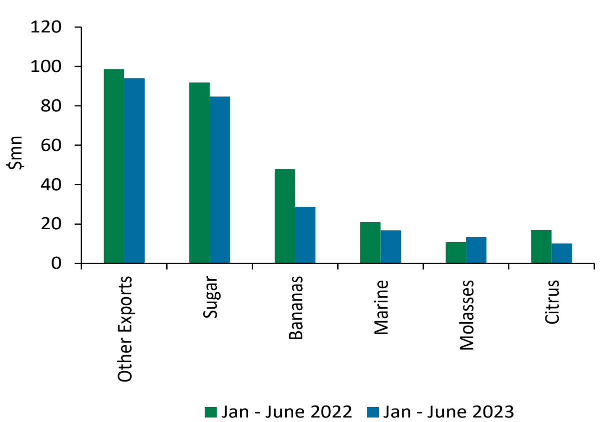
Merchandise Trade

The trade-in-goods deficit widened by 8.3% ($54.7mn) for the first six months of 2023 to $711.9mn, as a rise in imports was exacerbated by a fall in exports relative to the same period of 2022. On the one hand, imports FOB expanded by 2.7% or $32.2mn to $1,216.0mn, driven by a 3.9% ($40.0mn) uptick in domestic imports, while CFZ imports dipped by 4.9% ($7.8mn). On the other hand, exports FOB contracted by 4.3% ($22.5mn) to $504.1mn due to a 13.7% ($39.3mn) decline in domestic exports to $247.8mn, as re-exports rose by 7.0% ($16.8mn) to $256.3mn. Domestic export receipts were weighed down by lower earnings from the major commodities, namely sugar, citrus juices, bananas, and marine products. Concurrently, a 9.1% increase in CFZ sales boosted total re-exports, overshadowing a 4.5% slump in other re-exports

<u>Gross Imports</u>

Imports FOB edged up by 2.7% ($32.2mn) over the review period to $1,216.0mn, as increased outlays on food and non-alcoholic beverages, transportation equipment, and plastic products were moderated by lower spending on fuel, chemical products, manufactured items, and CFZ goods. Accordingly, expenditure in the "*Food and Live Animals*" subcategory increased by $13.3mn, with heightened purchases of orange concentrate, condensed milk, and wheat. "*Machinery and Transport Equipment*" grew by $9.9mn due to the receipt of an aircraft from the US Goverrnment, coupled with an increase in purchases of four-cylinder vehicles. Furthermore, "*Other Manufactures*" rose by $6.9mn with greater spending on plastic bottles, food containers, and printed materials. These additional outlays were tempered by a $26.8mn decline in "*Mineral Fuels and Lubricants*," owing to reduced import volumes of premium and bunker fuels and lower acquisition costs of diesel, kerosene, and liquefied petroleum gas. Additionally, the "*Commercial Free Zone*" subcategory contracted by $17.1mn, reflecting cutbacks on cigarette, footwear, and clothing imports. Goods under "*Chemical Products*" fell by $15.3mn, as purchases of diagnostic testing kits, vaccines, and detergents curtailed as COVID-19-related hospitalisation and deaths declined.

Chart 4.2: Domestic Exports



Sources: SIB and CBB

Domestic Exports

Domestic export receipts shrank by 13.7% ($39.3mn) to $247.8mn. Revenue declines by the major domestic commodities—banana ($19.2mn), sugar ($7.1mn), citrus ($6.8mn), and marine products ($4.1mn)—as well as other domestic exports ($4.6mn), contributed to the overall decrease. However, a slight increase in molasses earnings ($2.5mn) tempered the overall downturn.

Sugar and Molasses

Sugar export earnings contracted by 7.8% for the first six months of 2023 to $84.7mn, as a 25.9% decrease in export volume eclipsed a 24.4% increase in average price. Limited by low production, sugar export volume contracted across all major markets. Europe, the leading destination, which accounted for 91.2% of sugar shipments, purchased 62,764 long tons, down 24.5% year on year, valued at $74.0mn. CARICOM bought 10,714 long tons, reflecting a 37.0% year-on-year decline, valued at $10.7mn. Additionally, an even smaller amount of sugar was sold to the US compared to the same period a year ago. Notwithstanding, international market prices had strengthened, as unfavourable weather conditions hampered crop yields of some major producers. In particular, European market prices soared by 23.8% in response to a severe drought that limited sugarbeet yields amid heightened demand. Turning to molasses, its export earnings rose by 23.1% ($2.5mn) to $13.3mn as a 25.9% price increase outweighed a 2.2% volume decline. All molasses sales went to the US.

Citrus Juices and Pulp

Citrus juice export receipts fell by 40.1% to $10.1mn from January to June, weakened by a 56.2% volume decline due to low production. The disproportionate falloff in earnings was attributable to a 34.1% boost in the average unit price for orange juice concentrates. CARICOM remained the top destination for orange concentrates, accounting for 2.0mn ps or 98.7% of total orange concentrate sales, valued at $8.5mn. The remainder was sold to other countries for $0.1mn. Concurrently, grapefruit concentrate revenue increased by 6.5% to $1.4mn, as a 25.8% average unit price increase overshadowed a 15.3% reduction in export volume. Pulp exports totalled $0.1mn, while not-from-concentrate sales were negligible.

Marine Exports

Marine export earnings tumbled 19.5% to $16.8mn despite a 15.1% increase in export volume. Additionally, export receipts were weakened further by marked reductions in the average unit prices for lobster and conch. Consequently, lobster revenues contracted by 20.4% to $8.4mn, as a 1.0% dip in export volume was exacerbated by a 19.6% price plunge. Similarly, conch export earnings shrank by 29.4% to $7.0mn, as a 24.9% price decrease was worsened by a 5.9% volume decline. On a brighter note, shrimp receipts rose to $1.4mn due to a near-tripling of its export volume and a 13.0% price hike. Exports of other fish remained negligible.

Banana

Banana export revenue plummeted by 40.1% to $28.7mn, owing to a 42.6% reduction in export volume over the review period. A 4.3% price uptick, slightly cushioned the revenue decline.

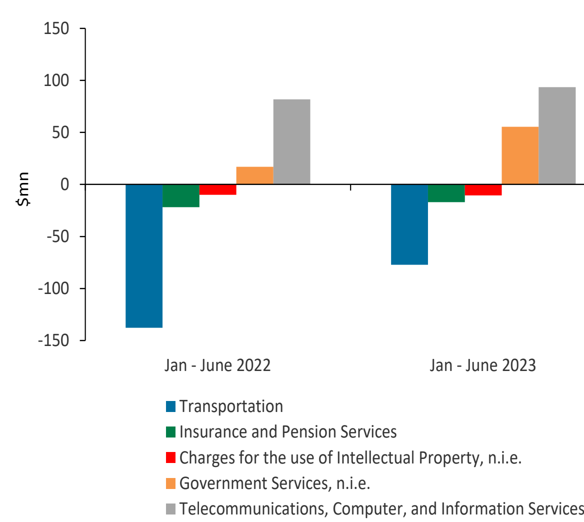
Other Domestic Exports

Other domestic export earnings dipped by 4.7% to $94.1mn for the first half of the year. This outcome was driven by reduced earnings for pre-fabricated houses ($2.5mn), animal feed ($1.7mn), red kidney beans ($1.5mn), and sorghum ($1.3mn). Partially ameliorating these downturns were increased receipts for crude soybean oil ($1.0mn), paper material products ($0.8mn), and pepper sauces ($0.4mn).

Services

For the first half of the year, net inflows on the services account rose by 36.7% or

Chart 4.3: Sub-components of Services



$209.3mn to $779.2mn. This substantial growth was driven by an upsurge in tourism receipts due to an increase in the number of visitors, longer duration of visits, and a rise in average expenditure on goods and services. Accordingly, net travel receipts grew by $138.3mn relative to the same period of 2022 to $730.7mn, exceeding gross revenues for the same pre-pandemic period of 2019 by $168.7mn. Meanwhile, net transportation outflows contracted by $60.7mn to $77.1mn as international freight rates retreated from the previous year's high. International freight rates subsided as the weakened global demand for goods coincided with the normalisation of supply chains. Concurrently, the surplus for all other services rose by $10.3mn to $125.5mn, resulting from heightened net inflows on the government ($38.4mn) and computer services ($12.9mn) subaccounts. While the former reflected heightened transfers to a regional organisation, the latter reflected increased earnings from business process outsourcing services.

Primary and Secondary Income

The primary income deficit contracted by 6.5% or $8.7mn to $124.3mn. This outcome was due mainly to a sharp reduction in profit repatriation and a sizeable increase in the Central Bank's interest income. These favourable developments were partly offset by increases in the public sector's interest payments and domestic banks' reinvested earnings. Compared to the same period in 2022, profit repatriation fell by $19.9mn to $52.5mn, while a portion of the Central Bank's income on its foreign reserves nearly tripled to $4.8mn, spurred by higher US interest rates on its foreign securities holdings. Conversely, the public sector's interest expense rose by $16.4mn to $43.0mn, as interest payments normalised, with the end of COVID-19-related moratoriums that were afforded to the public sector, and global interest rates rose in response to major central banks' actions to curtail inflation. Meanwhile, domestic banks' reinvested earnings increased by $10.3mn to $38.5mn.

Chart 4.4: FDI Breakdown by Sector

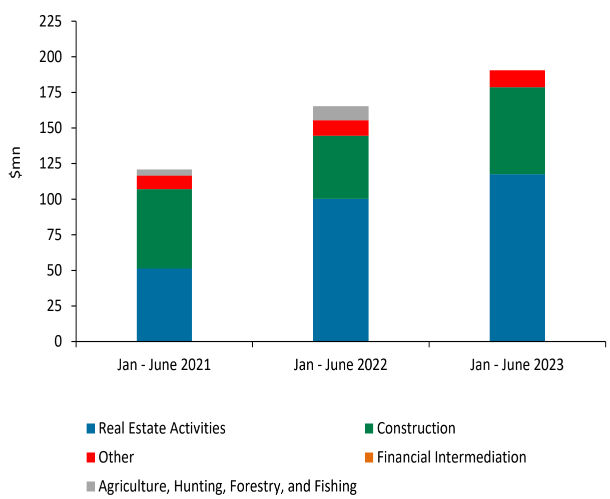
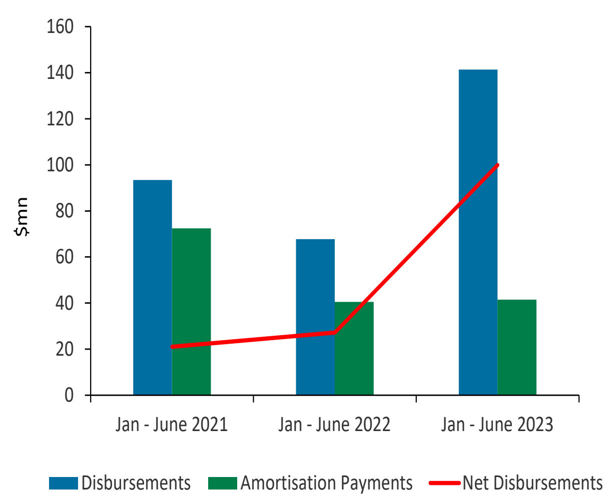


Chart 4.5: Central Government Net External Loan Disbursements



Net inflows on the secondary income account strengthened by 18.5% or $24.5mn to $157.1mn. The overall improvement reflected net increases of $8.8mn in worker's remittances to $113.0mn. Additionally, net inflows to insurance companies for non-life reinsurance claims and to religious and other non-profit organisations rose by $10.1mn and $9.1mn, respectively.

Capital and Financial Account

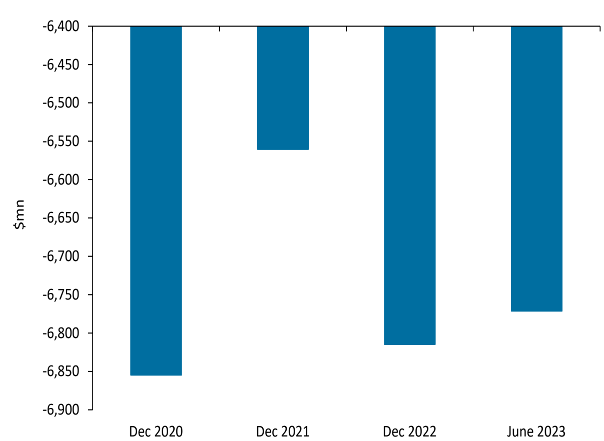
The capital account surplus dipped by $2.1mn to $22.0mn as some grant-funded infrastructural projects drew nearer to completion in the second quarter. In particular, grants from the Caribbean Development Bank (CDB) to help fund the Philip Goldson Highway and Coastal Road rehabilitation projects waned.

Net liabilities on the financial account shrank by $99.2mn relative to the first half of 2022 to $18.2mn. This outcome resulted as the net incurrence of liabilities, arising from additional foreign direct investments and public sector borrowings, was primarily offset by a sharp rise in domestic banks' acquisition of net foreign assets. Net foreign direct investments fell by $34.5mn to $114.8mn, with inflows rising slower than outflows. While foreign direct investment inflows increased by 5.6% to $234.0mn, foreign direct investment outflows soared by 60.2% to $115.0mn. Inward foreign direct investments were channelled mainly towards real estate ($117.5mn) and construction ($61.2mn) activities. In contrast, outward foreign direct investments reflected the repatriation of capital from the sale of land/properties ($68.0mn) and a former commercial bank ($46.9mn). Furthermore, the public sector's net external borrowings rose by $72.9mn to $99.9mn. The overall rise in indebtedness was tempered by a $185.1mn expansion in domestic banks' foreign assets, boosted mainly by heightened tourism receipts.

International Investment Position

For the first half of 2023, Belize's net international investment position improved by $42.6mn to a deficit of $6,771.5mn, as residents accumulated more external financial assets than liabilities over the period. The country's net foreign asset position grew by $247.6mn to $1,984.7mn, as reflected in the strengthening of the domestic banks' and the Central Bank's positions. Concurrently, net foreign liabilities rose by $205.1mn to $8,756.1mn, driven by net increases in foreign direct investments and public sector borrowings.

Chart 4.6: Net International Investment Position



Government Operations and Public Debt

Central Government Operations

Between **January and June of 2023**, Central Government's operations yielded an overall surplus of $1.3mn. This outturn was $21.8mn below the $23.1mn surplus recorded in the first half of 2022, as revenues rose at a slower pace than expenditures. Whereas total revenue and grants rose by 3.8% ($25.5mn) in line with macroeconomic activities, expenditures grew by 7.3% or $47.3mn, as current and capital spending rose. At the same time, the primary surplus narrowed to $65.1mn (1.1% of GDP) from $68.9mn (1.2% of GDP) in the first half of 2022.

For the first quarter of FY 2023/2024, Central Government's expenditure restraint eased, faced with spending pressures from above-average inflation, rising debt service costs, and the restoration of public officers' wages, amid a modest upturn in tax revenues. As a result, the primary surplus narrowed to $45.9mn (0.7% of GDP) from April to June compared to $65.7mn (1.2% of GDP) in the same quarter a year ago. Furthermore, the overall budget surplus fell to $1.6mn (0.02% of GDP) relative to $34.9mn (0.4% of GDP) in the same period of FY 2022/23. Notwithstanding, revenue and grants stood 0.9% above budget expectations, while expenditures were 0.7% below budgeted outlays.

Revenue and grants summed to $365.6mn over the three months, 6.5% higher than the amount reported in the same period of the previous fiscal year. Tax revenues rose by 8.8% or $27.6mn to $338.9mn, buoyed by increases of $28.6mn and $6.1mn in "*Goods and Services*" ($28.6mn) and "*Income and Profits*" ($6.1mn) as the tax base broadened. The substantial rise in "*Goods and Services*" was due to the normalisation of excise tax receipts, following the expiration of the temporary tax cuts on fuels that were implemented in April 2022 to counter inflationary pressures. However, the growth in tax revenues was dampened by lower collections on international trade

Chart 5.1: Central Government's Operations

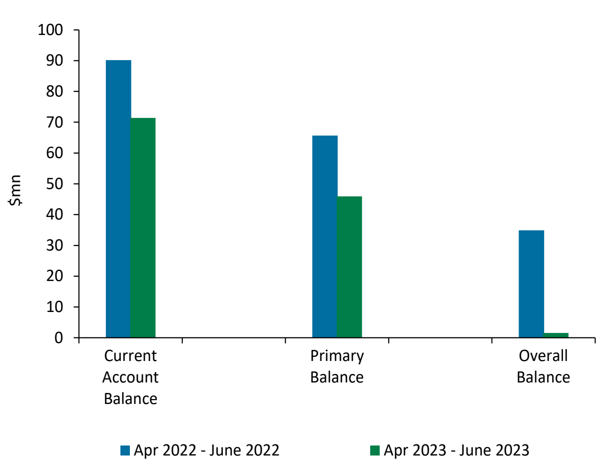
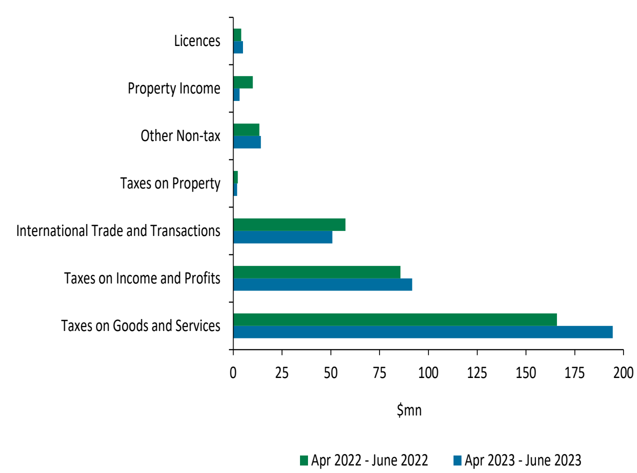
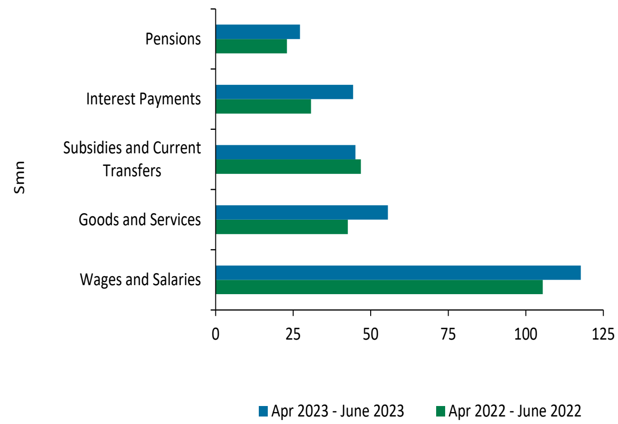


Chart 5.2: Central Government's Revenue



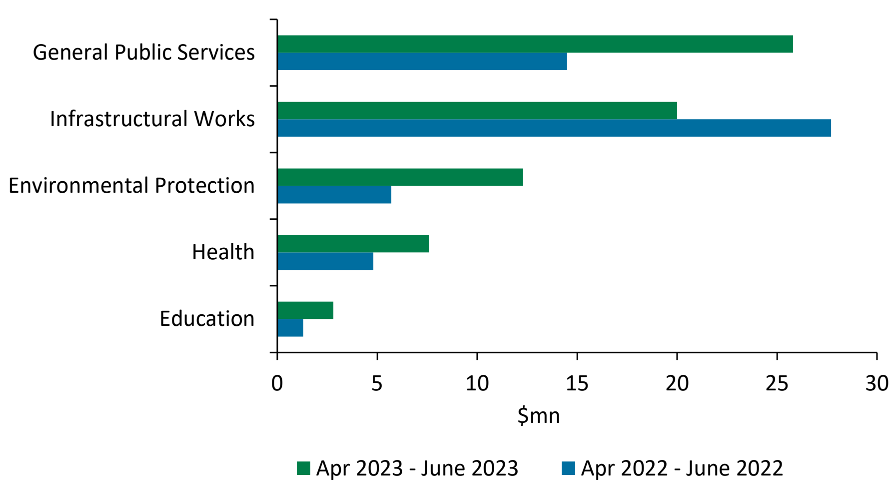
and property transactions by $6.7mn and $0.4mn, respectively, with the former weakened by a drop in merchandise imports. Meanwhile, non-tax revenues fell by $5.1mn (18.7%) to $22.4mn on account of reduced income transfers from quasi-government institutions due to the absence of dividends from the telecommunications company, Digi. Grants amounted to $2.8mn, $0.2mn lower than the first quarter of FY2022/23.

Chart 5.3: Central Government's Current Expenditures



Expenditures totalled $364.1mn, reflecting an 18.0% ($55.6mn) expansion, owing to increases in current and capital spending. Current expenditures rose by $41.2mn (16.6%) to $289.9mn, spurred by broad-based increases in all spending categories except for "*Subsidies and Transfers,*" which edged down by $1.8mn. Cost pressures stemmed from a nearly doubling of the average effective interest rates on the external public sector debt to 2.6% for the first half of 2023 from 1.4% in the same period of 2022, as central banks in advanced countries hiked monetary policy rates to rein in inflation. In addition, the interest rate on the "*Blue Loan*" stepped up by 0.5 percentage points to 3.5% in April, increasing the debt service burden. As a result, Central Government's interest payments rose by $13.6mn (44.2%) this quarter relative to the same three months of 2023. An above-average growth in consumer prices also contributed to the $12.9mn (30.3%) spending increase in the "*Goods and Services*" subcategory. Furthermore,

Chart 5.4: Central Government's Development Expenditure



Source: MOF

"*Wages and Salaries*" and "*Pensions*" rose by $12.3mn (11.6%) and $4.2mn (18.2%), respectively, with the restoration of public officers' emoluments and allowances in July 2022, 13 months after cuts were implemented in June 2021.

Capital spending and net lending grew by $14.4mn (24.0%) to $74.2mn. Of this amount, 34.9% was spent on public affairs, 27.0% on infrastructural projects, 16.6% on environmental and land management, and 10.3% on health programmes.

Total Public Sector Debt

The public sector debt increased by 2.1% or $84.2mn for the first half of 2023 to $4,127.0mn (67.2% of GDP). The rise in debt stock was due to an increase in external debt as the outstanding domestic debt stock edged down over the review period.

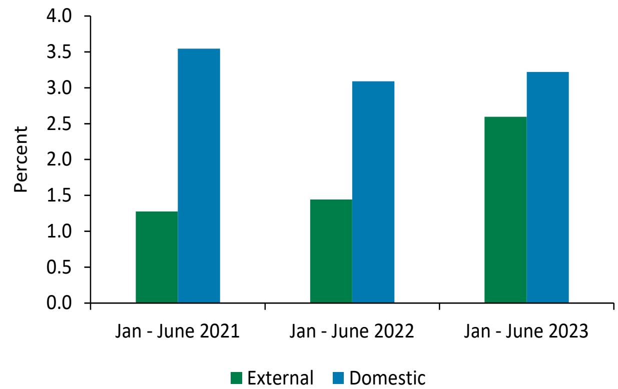
Domestic Debt

Central Government's domestic debt dipped by $5.2mn to $1,310.4mn (21.3% of GDP) as principal repayments outweighed new borrowings.

New disbursements entailed the issuance of $14.0mn worth of three-year T-notes in June. These notes were issued to finance the first of three annual principal repayments on the five-year, US dollar-denominated $30.0mn T-note.

Domestic debt service payments (interest and principal) increased by 78.4% or $16.9mn to $38.5mn. Interest payments amounted to $21.7mn, $0.6mn more than the comparative period last year. Central Government paid the Central Bank and non-bank entities $8.8mn each, and domestic banks $4.0mn on their respective Treasury securities holdings.

Chart 5.5: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt



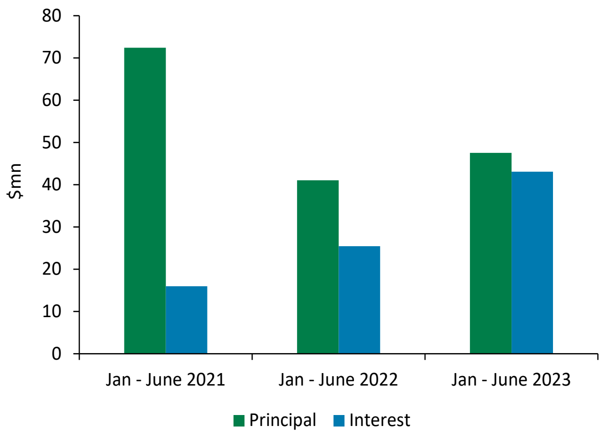
Meanwhile, amortisation payments totalled $16.8mn. Principal repayments on three outstanding small loans summed to $0.5mn. In securities trading, Central Government redeemed $13.7mn in two-year, floating-rate T-notes in May and $2.6mn in US$30.0mn T-notes in June.

The Central Bank remained the principal holder of Central Government's debt. At June end, the Central Bank's share of domestic liabilities inched up by 2.1 percentage points to 53.6%. Concurrently, domestic banks' and non-bank entities' portions fell by 1.7 and 0.3 percentage points to 24.5% and 22.0%, respectively.

Public Sector External Debt

The public sector's external debt increased by $89.4mn to $2,816.6mn (45.9% of GDP) as disbursements of $141.4mn exceeded principal payments of $51.6mn.

Chart 5.6: External Debt Service



Central Government received $128.7mn in new disbursements from bilateral and multilateral creditors. Bilateral partners disbursed $84.6mn, with the Republic of China/Taiwan (ROC/Taiwan) issuing $84.0mn for budget support and the Kuwait Fund for Arab Economic Development paying out $0.6mn for the Caracol Road Project. Multilateral financial institutions provided $44.1mn, stemming from the CDB ($19.0mn), Inter-American Development Bank ($8.8mn), OPEC Fund for International Development ($5.4mn), Central American Bank for Economic Integration ($4.6mn), and the International Bank for Reconstruction and Development ($3.9mn). These loan proceeds were used to fund several projects, including:

- the Coastal Road Project ($9.6mn),
- the Phillip Goldson Highway and Remate Bypass Upgrading Project ($8.5mn),
- the Education Quality Improvement Project ($5.0mn),
- the Integral Security Programme ($4.6mn),
- the Caracol Road Project ($4.4mn), and
- the COVID-19 Response Project ($2.5mn).

Debt servicing payments totalled $95.9mn, comprising $51.6mn in principal repayments and $44.3mn in interest and other payments. Central Government made $45.3mn in principal repayments, which entailed $1.1mn to bilateral lenders, $8.2mn to US dollar-denominated T-note holders, and $36.0mn to multilateral creditors. In addition, the public financial and non-financial sectors amortised $2.1mn and $4.2mn, respectively.

Of the $44.3mn in interest payments, Central Government accounted for 92.9%, equivalent to $41.1mn. From this amount, Central Government paid multilateral creditors $20.6mn; bilateral lenders, $6.8mn; Blue Loan creditors, $12.9mn; and US dollar T-note holders, $0.8mn. In addition, the public non-financial and financial sectors paid creditors $1.6mn and $1.5mn, respectively.

At June end, Central Government held 91.3% of the total public debt, while the public financial and non-financial sectors accounted for 6.4% and 2.3%, respectively. Turning to the creditor composition, 73.2% of the external public sector debt was due to multilateral and bilateral lenders combined, and 26.8% was owed to commercial lenders.

ANNEX I

Table A.1: Gross Domestic Product Growth Rates of Selected Countries

Percent

	Dec 2022	Mar 2023	June 2023
Advanced Economies			
US	0.9	1.8	2.4
UK	0.1	0.1	0.4
Euro Area	1.8	1.3	0.6
Japan	0.4	2.7	1.6
Emerging Economies			
China	2.9	4.5	6.3
India[(1)]	4.4	6.1	7.8
Brazil	1.9	4.0	3.4
Mexico	3.7	3.7	3.6
Caribbean Economies			
Barbados	9.5	6.4	3.9
Jamaica	3.8	4.2	2.3

Sources: Respective Statistical Bureaus and Central Banks.
[(1)] Quarter-on-Quarter percentage change.

Table A.2: Real Gross Domestic Product Growth Rates

	Year-on-Year Growth (%)	
	Jan - June 2022 over Jan - June 2021[R]	Jan - June 2023 over Jan - June 2022[R]
Agriculture, Forestry, and Fishing	-0.3	-6.7
Mining	-2.1	-25.6
Manufacturing	3.2	-3.2
Electricity	-19.3	-7.5
Water Supply	5.1	1.6
Construction	-18.7	16.0
Wholesale and Retail Trade	12.9	4.7
Transportation	20.3	25.1
Accommodation and Food Service Activities	99.3	28.1
Information and Communication	9.9	-11.6
Financial and Insurance Activities	1.0	12.9
Real Estate Activities	1.4	1.8
Professional, Scientific, and Technical Activities	-7.3	5.3
Administrative and Support Service Activities	8.2	26.9
Public Administration and Defence	9.2	8.9
Education	-4.9	4.1
Human Health and Social Work Activities	2.1	7.6
Arts, Entertainment, and Recreation	35.2	31.3
Other Service Activities	31.1	21.9
Activities of Households as Employers	0.4	6.2
Taxes and Subsidies	27.8	-1.5
GDP at Constant 2014 Prices	8.5	5.6

Source: SIB
[R] - Revised

Table A.3: Gross Domestic Product by Activity at Constant 2014 Prices

$mn

	Jan - June 2022R	Jan - June 2023R
Agriculture, Forestry, and Fishing	241.1	225.1
Mining	30.7	22.9
Manufacturing	206.4	199.9
Electricity	37.1	34.3
Water Supply	17.5	17.8
Construction	118.5	137.5
Wholesale and Retail Trade	350.9	367.3
Transportation	106.3	133.0
Accommodation and Food Service Activities	107.5	137.7
Information and Communication	93.1	82.3
Financial and Insurance Activities	212.7	240.1
Real Estate Activities	119.8	121.9
Professional, Scientific, and Technical Activities	23.5	24.7
Administrative and Support Service Activities	107.4	136.3
Public Administration and Defence	173.8	189.3
Education	140.7	146.4
Human Health and Social Work Activities	37.3	40.1
Arts, Entertainment, and Recreation	27.5	36.1
Other Service Activities	34.8	42.5
Activities of Households as Employers	15.0	15.9
Taxes and Subsidies	351.2	345.8
GDP at Constant 2014 Prices	2,552.8	2,696.7

Source: SIB

R - Revised

Table A.4: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - June 2021/2022	Dec - June 2022/2023
Deliveries of Sugarcane to BSI and Santander (long tons)	1,553,920	1,485,129
Sugar Processed by BSI and Santander (long tons)	158,219	144,090
Molasses processed by BSI and Santander (long tons)	53,292	53,922
Performance		
Cane/Sugar	9.8	10.3

Sources: BSI and Santander

Table A.5: Output of Citrus Products

	Oct - June 2021/2022	Oct - June 2022/2023
Deliveries (boxes)		
Orange	1,247,991	279,280
Grapefruit	143,188	61,553
Total	1,391,179	340,833
Concentrate Produced (ps)		
Orange	6,944,460	1,338,022
Grapefruit	548,612	232,510
Total	7,493,072	1,570,532
Not from Concentrate (ps)		
Orange	164,432	66,403
Grapefruit	14,853	7,914
Total	179,285	74,317
Pulp (pounds)		
Orange	871,744	78,016
Grapefruit	219,632	0
Total	1,091,376	78,016
Oil Produced (pounds)		
Orange	401,484	92,507
Grapefruit	23,000	9,055
Total	424,484	101,562

Source: CPBL

Table A.6: Banana Production

40-pound boxes

	Jan - June 2022	Jan - June 2023
Quarter 1	1,014,934	484,582
Quarter 2	1,431,330	920,332
Total	2,446,264	1,404,914

Source: BGA

Table A.7: Bona Fide Tourist Arrivals

	Jan - June 2022	Jan - June 2023
Stay-Over Arrivals		
Air	172,342	196,153
Land	18,817	35,103
Sea	2,018	7,527
Total	193,177	238,783
Cruise Ship Disembarkations	291,751	475,671

Sources: BTB, CBB, and Immigration Department

Table A.8: Consumer Price Index Commodity Group

Major Commodity	Weights	Apr 2023	May 2023	June 2023	June 2023 over May 2023	YTD-2023 over YTD-2022
Food and Non-Alcoholic Beverages	195	122.5	122.7	124.1	1.1	13.6
Alcoholic Beverages and Tobacco, and Narcotics	17	101.9	104.0	104.0	0.0	1.0
Clothing and Footwear	83	101.7	100.4	100.4	0.0	-0.1
Housing, Water, Electricity, Gas, and Other Fuels	265	103.6	103.9	103.4	-0.5	-0.7
Furnishing, Household Equipment, and Routine Household Maintenance	69	107.7	108.4	108.4	0.0	4.6
Health	41	105.1	107.4	107.4	0.0	2.9
Transport	136	131.4	129.0	128.6	-0.3	1.4
Information and Communication	33	97.5	97.1	97.1	0.0	-2.0
Recreation and Culture	69	110.2	112.9	112.9	0.0	7.9
Education Services	32	100.2	100.2	100.2	0.0	0.3
Restaurants and Accommodation Services	7	117.4	121.2	121.2	0.0	10.7
Insurance and Financial Services	21	100.1	104.4	104.4	0.0	0.0
Personal Care, Social Protection, and Miscellaneous Goods and Services	31	103.6	104.4	104.4	0.0	2.8
All Items	1,000	113.7	113.9	114.1	0.2	5.0

Source: SIB

Table A.9: Factors Responsible for Money Supply Movements[1]

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Dec 2021 to June 2022
Net Foreign Assets	1,786.8	267.4	129.3
Central Bank	1,048.9	82.2	66.6
Domestic Banks	737.9	185.1	62.7
Net Domestic Credit	3,193.9	-26.9	19.6
Central Government (Net)	650.5	-62.7	-28.7
Other Public Sector	86.0	-1.3	26.2
Private Sector	2,457.4	37.1	22.1
Central Bank Foreign Liabilities (Long-term)	115.7	0.0	-6.2
Other Items (Net)	501.9	32.1	37.3
Money Supply (M2)	4,363.1	208.5	117.8

(1) Transactions associated with the Universal Health Services loan with the Belize Bank Limited are not included in this table.

Table A.10: Money Supply

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Dec 2021 to June 2022
Money Supply (M2)	4,363.1	208.5	117.8
Narrow Money (M1)	2,607.4	183.9	162.9
Currency with the Public	548.5	25.4	15.2
Demand Deposits	2,058.4	158.4	172.4
Savings/Chequing Deposits	0.5	0.1	-24.8
Quasi-Money	1,755.7	24.6	-45.1
Savings Deposits	1,038.6	72.2	-46.2
Time Deposits	717.1	-47.6	1.1

1) In March 2022, $61.4mn and $22.0mn in savings and savings/chequing deposits, respectively, were reclassified as demand deposits.

Table A.11: Net Foreign Assets of the Banking System

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
Net Foreign Assets of Banking System	1,786.8	267.4	129.3
Net Foreign Assets of Central Bank	1,048.9	82.3	66.6
Central Bank Foreign Assets	1,050.6	81.2	65.6
Central Bank Foreign Liabilities (Demand)	1.7	-1.1	-1.0
Net Foreign Assets of Domestic Banks	737.9	185.1	62.6
Domestic Bank Foreign Assets	760.6	183.8	8.5
Domestic Bank Foreign Liabilities (Short-term)	22.8	-1.3	-54.1

Table A.12: Central Bank's Foreign Asset Flows

$mn

	Jan - June 2022	Jan - June 2023
Total Inflows	176.4	235.7
Loan Disbursements	49.1	130.5
Grants	24.2	21.4
Sugar Receipts	46.7	53.0
Banks	40.0	0.0
Other	51.6	38.4
Total Outflows	109.3	154.2
Central Government	88.9	133.1
Statutory Bodies	7.8	13.5
Other	12.6	7.6

Table A.13: Net Domestic Credit

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
Total Credit to Central Government	931.3	0.2	-7.1
From Central Bank	701.9	24.4	99.6
Loans and Advances	0.0	0.0	0.0
Government Securities[1]	701.9	24.4	99.6
From Domestic Banks	229.4	-24.2	-106.7
Loans and Advances	0.0	0.0	0.0
Government Securities	229.4	-24.2	-106.7
Of which: Treasury Bills	98.2	-16.2	-87.7
Treasury Notes	131.2	-8.0	-19.0
Other	0.0	0.0	0.0
Less Central Government Deposits	280.8	62.9	21.6
With Central Bank	222.3	55.3	3.1
With Domestic Banks	58.5	7.6	18.5
Net Credit to Central Government	650.5	-62.7	-28.7
Credit to Other Public Sector	86.0	-1.3	26.2
From Central Bank	0.0	0.0	0.0
From Domestic Banks	86.0	-1.3	26.2
Of which: Local Government	13.2	0.9	-1.0
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	9.0	-3.0	-3.0
Other Statutory Bodies	2.1	0.4	0.2
Securities	61.7	0.4	30.0
Plus Credit to the Private Sector	2,457.4	37.1	22.1
From Central Bank	7.7	0.8	1.0
Loans and Advances	7.7	0.8	1.0
From Domestic Bank	2,449.7	36.3	21.1
Loans and Advances	2,424.0	31.2	23.2
Securities	25.7	5.1	-2.1
Net Domestic Credit of the Banking System[2]	3,193.9	-26.9	19.6

[1] Includes the Central Bank's holdings of Government Treasury bills and Treasury notes.
[2] Treasury bill holdings reported by domestic banks reflect a mix of par and market values.

Table A.14: Sectoral Composition of Domestic Banks' Loans and Advances

$mn

	Position as at June 2023	Changes During: Dec 2022 to June 2023	Changes During: Dec 2021 to June 2022
PRIMARY SECTOR	254.9	-10.8	3.8
Agriculture	228.9	-8.0	6.8
Sugar	82.8	-11.8	2.8
Citrus	14.0	-2.8	0.8
Bananas	58.5	2.9	-0.3
Other	73.6	3.7	3.5
Marine Products	20.2	-3.0	-2.6
Forestry	1.6	0.3	0.0
Mining and Exploration	4.2	-0.1	-0.4
SECONDARY SECTOR	841.4	15.7	186.4
Manufacturing	92.0	21.7	0.7
Building and Construction(1)	725.8	2.5	188.3
Utilities	23.6	-8.5	-2.6
TERTIARY SECTOR	963.7	25.8	-7.7
Transport	71.3	15.8	8.2
Tourism	269.3	-19.7	-1.8
Distribution	193.8	1.5	12.2
Real Estate(1)	353.5	27.9	-17.5
Professional Services	56.4	-1.0	-6.4
Other	19.4	1.3	-2.4
Personal Loans(1)	388.3	-1.2	-163.1
TOTAL	2,448.3	29.5	19.4

(1) In March 2022, $110.7mn and $28.7mn in Building and Construction and Real Estate loans, respectively, were reclassified as Personal loans.

Table A.15: Sectoral Composition of Credit Unions' Loans and Advances

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
PRIMARY SECTOR	66.6	4.5	-2.0
Agriculture	58.8	4.7	-1.8
Sugar	4.9	-0.8	-1.0
Citrus	1.2	-0.1	-0.1
Bananas	1.4	1.4	-0.1
Other	51.3	4.2	-0.6
Marine Products	7.6	-0.1	-0.2
Forestry	0.0	-0.1	0.0
Mining and Exploration	0.2	0.0	0.0
SECONDARY SECTOR	226.4	4.8	-1.2
Manufacturing	29.4	-0.4	1.3
Building and Construction	192.6	5.3	-4.3
Residential	104.1	3.9	2.8
Home Improvement	73.2	0.7	-4.9
Commercial	11.7	-0.4	-1.4
Infrastructure	3.5	0.9	-0.9
Utilities	4.4	-0.1	1.8
TERTIARY SECTOR	123.2	6.0	13.8
Transport	1.1	0.1	-0.2
Tourism	1.1	0.3	-0.2
Distribution	19.6	-3.0	1.1
Real Estate	83.8	4.5	10.4
Residential	2.9	-0.3	0.3
Commercial	39.6	-1.5	9.6
Land Acquisition	41.3	6.4	0.5
Other[1]	17.6	4.1	2.7
Personal Loans	241.4	-17.0	-5.0
TOTAL	657.5	-2.0	5.7

[1] Includes Government Services, Financial Institutions, Professional Services, and Entertainment.

Table A.16: Sectoral Composition of Development Finance Corporation Loans and Advances

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
PRIMARY SECTOR	37.9	4.6	2.4
Agriculture	27.6	4.4	2.3
Marine Products	9.9	0.2	0.1
Other[(1)]	0.4	0.0	0.0
SECONDARY SECTOR	44.4	-2.2	5.4
Manufacturing	4.7	-3.5	-0.4
Building and Construction	39.7	1.3	5.8
TERTIARY SECTOR	41.8	3.3	0.7
Tourism	17.7	-0.1	-1.0
Professional Services	18.3	1.0	1.9
Other[(2)]	5.8	2.4	-0.2
Student Loans	15.8	-0.3	-0.1
Personal Loans	0.5	0.1	0.0
TOTAL	140.4	5.6	8.3

(1) Includes mining and forestry.
(2) Includes Distribution, Financial Institutions, Real Estate, Transport, and Entertainment.

Table A.17: Domestic Banks' Liquidity Position and Cash Reserves

$mn

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
Holdings of Approved Liquid Assets	1,602.3	134.8	106.7
Notes and Coins	119.4	20.7	16.2
Balances with Central Bank	719.7	-21.3	112.0
Money at Call and Foreign Balances (due in 90 days)	609.4	141.7	76.9
Treasury Bills maturing in not more than 90 days	108.3	-27.5	-100.3
Other Approved Assets	45.5	21.1	1.8
Required Liquid Assets	817.4	52.8	36.1
Excess/(Deficiency) Liquid Assets	785.0	82.0	70.7
Daily Average Holdings of Cash Reserves	722.9	-13.0	110.4
Required Cash Reserves	253.0	16.3	11.2
Excess/(Deficiency) Cash Reserves	469.9	-29.4	99.2
Actual Securities Balances	98.3	-16.2	-87.8
Excess/(Deficiency) Securities	98.3	-16.2	-87.8

Table A.18: Domestic Banks' Weighted Average Interest Rates

Percent

	Position as at June 2023	Changes During Dec 2022 to June 2023	Changes During Dec 2021 to June 2022
Weighted Lending Rates			
Personal Loans	11.48	0.00	1.24
Commercial Loans	8.04	-0.04	-0.20
Residential Construction	6.92	0.08	-0.20
Other	7.10	0.03	0.40
Weighted Average	8.44	0.00	-0.07
Weighted Deposit Rates			
Demand	0.12	-0.01	-0.01
Savings/Chequing	2.63	0.00	2.11
Savings	2.64	-0.01	0.01
Time	2.02	-0.14	-0.07
Weighted Average	1.15	-0.06	-0.09
Weighted Average Spread	7.29	0.06	0.02

Table A.19: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

Percent

	Twelve Month Rolling Averages At			Changes	
	June 2023	Mar 2023	June 2022	June 2023 over Mar 2023	June 2023 over June 2022
Weighted Lending Rates					
Personal Loans	9.98	9.95	10.37	0.04	-0.39
Commercial Loans	8.09	7.98	8.19	0.11	-0.10
Residential Construction	8.61	8.23	8.51	0.38	0.10
Other	6.06	6.21	6.46	-0.15	-0.40
Weighted Average	8.62	8.55	8.76	0.07	-0.13
Weighted Deposit Rates					
Demand	0.00	0.00	0.00	0.00	0.00
Savings/Chequing	1.46	1.25	0.89	0.21	0.56
Savings	2.42	2.41	2.45	0.02	-0.02
Time	2.40	2.26	2.55	0.14	-0.14
Weighted Average	2.03	1.94	1.89	0.08	0.13
Weighted Average Spread	6.60	6.61	6.86	-0.01	-0.27

Table A.20: Balance of Payments Summary

$mn

	Jan - June 2022[R]	Jan - June 2023[P]
A. CURRENT ACCOUNT (I+II+III+IV)	-87.7	100.0
I. Goods (Trade Balance)	-657.2	-711.9
Exports, Free on Board (FOB)	526.6	504.1
Domestic Exports	287.1	247.8
CFZ Gross sales	202.5	221.0
Re-exports	37.0	35.3
Imports, FOB	1,183.8	1,216.0
Domestic Imports	1,022.3	1,062.3
CFZ Imports	161.6	153.7
II. Services	569.9	779.2
Transportation	-137.8	-77.1
Travel	592.4	730.7
Other Services	115.3	125.5
III. Primary Income	-133.0	-124.3
Compensation of Employees	-4.8	-2.5
Investment Income	-128.2	-121.8
IV. Secondary Income	132.6	157.1
Government	-0.7	-4.3
Private	133.3	161.4
B. Capital Account	24.2	22.0
C. Financial Account	-117.4	-18.2
D. NET ERRORS AND OMISSIONS	10.9	-79.5
E. RESERVE ASSETS	64.7	60.8

[R] - Revised
[P] - Provisional

Table A.21: Capital and Financial Accounts

		Jan - June 2022[R]	Jan - June 2023[P]
			$mn
A.	CAPITAL ACCOUNT	24.2	22.0
B.	FINANCIAL ACCOUNT (1+2+3+4)	-117.4	-18.2
	1. Direct Investment in Belize	-149.4	-114.8
	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	32.0	96.7
	Monetary Authorities	1.0	1.1
	General Government	-26.9	-99.9
	Banks	62.7	185.1
	Other Sectors	-4.7	10.3
	Special Drawing Rights	0.0	0.0
C.	NET ERRORS AND OMISSIONS	10.9	-79.5
D.	OVERALL BALANCE	64.7	60.8
E.	RESERVE ASSETS	64.7	60.8

[R] - Revised
[P] - Provisional

Table A.22: Balance of Payments

		$mn
	Jan - June 2022R	Jan - June 2023P
CURRENT ACCOUNT	-87.7	100.0
Goods: Exports FOB	526.6	504.1
Goods: Imports FOB	1,183.8	1,216.0
Trade Balance	-657.2	-711.9
Services: Credit	907.0	1,063.8
Transportation	33.9	37.4
Travel	649.1	791.0
Other Goods and Services	188.6	157.4
Government Goods and Services	35.4	78.0
Services: Debit	337.1	284.6
Transportation	171.7	114.4
Travel	56.6	60.3
Other Goods and Services	90.3	87.3
Government Goods and Services	18.4	22.6
Balance on Goods and Services	-87.3	67.3
Primary Income: Credit	7.4	18.4
Compensation of Employees	2.4	2.4
Investment Income	5.0	16.0
Primary Income: Debit	140.4	142.7
Compensation of Employees	7.2	4.9
Investment Income	133.2	137.9
Balance on Goods, Services and Primary Income	-220.3	-57.0
Secondary Income: Credit	173.6	200.5
Secondary Income: Debit	41.1	43.4
CAPITAL ACCOUNT	24.2	22.0
Capital Account: Credit	24.2	22.0
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-117.4	-18.2
Direct Investment Abroad	0.5	4.2
Direct Investment in Reporting Economy	149.9	119.1
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	46.3	182.7
Other Investment Liabilities	14.3	86.0
NET ERRORS AND OMISSIONS	10.9	-79.5
OVERALL BALANCE	64.7	60.8
RESERVE ASSETS	64.7	60.8

Source: CBB
R - Revised
P - Provisional

Table A.23: Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)

$’000

SITC Section	Jan - June 2022	Jan - June 2023	$ Change	% Change
0. Food and Live Animals	140,183	153,457	13,274	9.5
1. Beverages and Tobacco	23,683	27,331	3,648	15.4
2. Crude Materials	17,646	23,285	5,639	32.0
3. Mineral Fuels and Lubricants	258,236	231,418	-26,818	-10.4
of which Electricity	37,289	43,164	5,875	15.8
4. Oils and Fats	16,081	15,874	-208	-1.3
5. Chemical Products	147,188	131,917	-15,272	-10.4
6. Manufactured Goods	195,756	186,830	-8,926	-4.6
7. Machinery and Transport Equipment	265,198	275,072	9,874	3.7
8. Other Manufactures	90,810	97,713	6,903	7.6
9. Commodities not elsewhere specified	462	-	-462	-100.0
10. Designated Processing Areas	23,360	22,721	-639	-2.7
11. Commercial Free Zone	185,754	168,672	-17,082	-9.2
12. Personal Goods	1,835	1,346	-490	-26.7
Total	1,366,193	1,335,635	-30,558	-2.2

Sources: CBB and SIB

Table A.24: Exports of Sugar and Molasses

	Jan - June 2022		Jan - June 2023	
	Volume (long tons)	Value ($’000)	Volume (long tons)	Value ($’000)
Sugar	92,813	91,878	68,812	84,729
Europe	83,153	79,179	62,764	73,990
US	49	58	20	25
CARICOM	9,571	12,569	6,028	10,714
Other	39	71	0	0
Molasses	33,998	10,837	33,252	13,346

Sources: BSI and Santander Group

Table A.25: Citrus Product Exports

	Jan - June 2022		Jan - June 2023	
	Pound Solid ('000)	Value ($'000)	Pound Solid ('000)	Value ($'000)
Citrus Concentrates				
US				
Orange	738.0	1,846	0.0	0
Grapefruit	62.2	410	0.0	0
CARICOM				
Orange	3,738.9	12,868	1,977.1	8,532
Grapefruit	110.9	587	168.0	1,195
Europe				
Orange	214.5	603	0.0	0
Grapefruit	31.1	172	0.0	0
Other				
Orange	90.5	76	25.4	110
Grapefruit	30.0	164	30.2	225
Sub-Total(1)	5,016.1	16,726	2,200.8	10,062
Orange	4,782.0	15,393	2,002.5	8,642
Grapefruit	234.2	1,333	198.3	1,420
Not-From-Concentrate				
Sub-Total	24.8	142.1	6.4	37.1
Orange	16.6	84	5.1	27
Grapefruit	8.2	58	1.3	10
Total Citrus Juices	5,040.9	16,868	2,207.2	10,099
Pulp (pounds '000)				
Total(1)	954.5	762	142.9	143
Orange	798.9	625	142.9	143
Grapefruit	155.7	137	0.0	0

Source: CPBL

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

Table A.26: Marine Product Exports

	Jan - June 2022		Jan - June 2023	
	Volume ('000 pounds)	Value ($'000)	Volume ('000 pounds)	Value ($'000)
Lobster	269	10,545	266	8,391
Shrimp	85	411	264	1445
Conch	492	9,867	463	6,968
Other Fish	17	73	1	8
Total	864	20,895	994	16,812

Source: SIB

Table A.27: Banana Exports

	Jan - June 2022	Jan - June 2023
Volume (metric tons)	44,382	25,489
Value ($'000)	47,943	28,730

Source: BGA

Table A.28: Other Miscellaneous Exports

	Jan - June 2022	Jan - June 2023
Other Miscellaneous Exports ($'000)	98,686	94,081
of which:		
Pepper Sauce	3,840	4,259
Red Kidney Beans	6,317	4,772
Orange Oil	3,488	2,318
Grapefruit Oil	621	99
Animal Feed	26,722	24,998
Crude Soybean Oil	1,974	3,015
Petroleum	1,278	283

Source: SIB

Table A.29: Long-Term Private Sector External Debt by Economic Sector[1,2]

Economic Sectors	DOD as at 31/12/2022	Transactions (Jan - June 2023) Disbursements	Principal Payments	Interest Payments	DOD as at 30/06/2023
Agriculture	29,536	0	0	0	29,536
Arts, Entertainment, and Recreation	0	0	0	0	0
Construction	22,134	0	7,347	1,413	14,787
Economic Diversification	0	0	0	0	0
Education	0	0	0	0	0
Electricity and Gas	14,130	0	535	730	13,595
Financial and Insurance Activities	111	0	0	0	111
Fishing	9,355	0	0	0	9,355
Information and Communication	0	0	0	0	0
Real Estate Activities	0	0	0	0	0
Tourism Activities	88,505	0	1,565	15	86,939
Transportation	37,543	0	3,050	1,186	34,494
Wholesale and Retail Trade	2,964	0	522	137	2,442
Other	0	0	0	0	0
Total	204,278	0	13,018	3,482	191,259

(1) The loans only cover that portion of the private sector debt that is reported to the Central Bank.
(2) At the time of reporting, not all companies have submitted their balance sheets to the Central Bank.

Table A.30: Extended Balance of Payment Services Classifications (EBOPS)

$mn

		Jan - June 2022	Jan - June 2023
Total Services	Net	569.9	779.2
	Credits	907.0	1063.8
	Debits	337.1	284.6
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.5	0.2
	Credits	0.5	0.2
	Debits	0.0	0.0
Transportation	Net	-137.8	-77.1
	Credits	33.9	37.4
	Debits	171.7	114.4
Travel	Net	592.4	730.7
	Credits	649.1	791.0
	Debits	56.6	60.3
Telecommunications, Computer, and Information Services	Net	81.8	93.5
	Credits	92.4	104.1
	Debits	10.6	10.6
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-21.9	-17.0
	Credits	0.5	0.5
	Debits	22.4	17.6
Financial Services	Net	5.1	1.6
	Credits	9.6	7.3
	Debits	4.5	5.7
Charges for the use of Intellectual Property, n.i.e.	Net	-10.0	-10.6
	Credits	0.0	0.0
	Debits	10.0	10.6
Other Business Services	Net	39.8	-0.4
	Credits	80.9	41.4
	Debits	41.1	41.9
Personal, Cultural, and Recreational Services	Net	2.9	2.9
	Credits	4.7	3.9
	Debits	1.7	1.0
Government Services, n.i.e.	Net	17.1	55.4
	Credits	35.4	78.0
	Debits	18.4	22.6

Table A.31: International Investment Position

$mn

	Position as at Dec 2022	Financial Account Transactions Jan - June 2023	Position as at June 2023	Quarterly Change
Net position	-6,814.0	42.6	-6,771.5	42.6
A. Assets	1,737.0	247.7	1,984.7	247.7
1. Direct Investment Abroad	151.8	4.2	156.1	4.2
2. Portfolio Investment	43.5	0.0	43.5	0.0
2.1 Equity Securities	34.7	0.0	34.7	0.0
2.2 Debt Securities	8.8	0.0	8.8	0.0
3. Other Investment	576.7	182.7	759.4	182.7
3.1 Trade Credits	-1.4	-0.4	-1.8	-0.4
3.2 Loans	3.1	0.0	3.1	0.0
3.3 Currency and Deposits	575.1	183.0	758.1	183.0
3.4 Other Assets	0.0	0.0	0.0	0.0
4 . Reserve Assets	964.9	60.8	1,025.7	60.8
4.1 Monetary Gold	0.0	0.0	0.0	0.0
4.2 Special Drawing Rights	99.4	-0.1	99.3	-0.1
4.3 Reserve Position in the Fund	17.0	0.2	17.2	0.2
4.4 Foreign Exchange	829.62	60.7	890.3	60.7
4.5 Other Claims	18.9	0.0	18.9	0.0
B. Liabilities	8,551.0	205.1	8,756.1	205.1
1. Direct Investment	5,342.7	119.1	5,461.8	119.1
2. Portfolio Investment	0.0	0.0	0.0	0.0
2.1 Equity Securities	0.0	0.0	0.0	0.0
2.2 Debt Securities	0.0	0.0	0.0	0.0
3. Other Investment	3,208.4	86.0	3,294.4	86.0
3.1 Trade Credits	34.9	11.1	46.0	11.1
3.2 Loans	3,033.4	85.0	3,118.4	85.0
3.3 Currency and Deposits	114.2	-7.6	106.7	-7.6
3.4 Other Liabilities	25.8	-2.5	23.3	-2.5

Table A.32: Central Government's Revenue and Expenditure

$mn

	Jan 2022 to June 2022	Jan 2023 to June 2023	Apr 2022 to June 2022	Apr 2023 to June 2023
Total Revenue and Grants	667.0	692.5	343.4	365.6
Of which: Current Revenue	639.1	684.8	338.8	361.3
Of which: Grants	25.6	4.7	3.0	2.8
Total Expenditure	644.0	691.2	308.5	364.1
Current Expenditure	508.5	527.7	248.6	289.9
Capital Expenditure	135.4	163.5	59.8	74.2
Current Balance	130.6	157.1	90.2	71.4
Primary Balance	68.9	65.1	65.7	45.9
Overall Balance	23.1	1.3	34.9	1.6

Source: MOF

Table A.33: Summary of Central Government's Revenue

$mn

	Jan 2022 to June 2022	Jan 2023 to June 2023	Apr 2022 to June 2022	Apr 2023 to June 2023
Current Revenue	639.1	684.8	338.8	361.3
Tax Revenue	597.2	646.1	311.3	338.9
Income and Profits	171.0	192.4	85.7	91.7
Taxes on Property	5.0	4.5	2.3	2.0
Taxes on Goods and Services	315.9	360.3	165.8	194.4
International Trade and Transactions	105.4	89.0	57.5	50.8
Non-Tax Revenue	41.9	38.7	27.5	22.4
Property Income	11.7	5.0	10.0	3.2
Licenses	9.5	8.9	4.1	5.0
Other	20.6	24.8	13.4	14.1
Capital Revenue	2.3	3.1	1.5	1.6
Grants	25.6	4.7	3.0	2.8

Source: MOF

Table A.34: Summary of Central Government's Expenditure

$mn

	Jan 2022 to June 2022	Jan 2023 to June 2023	Apr 2022 to June 2022	Apr 2023 to June 2023
Current Expenditure	508.5	527.7	248.6	289.9
Wages and Salaries	208.2	233.2	105.4	117.7
Pensions	47.2	50.7	23.0	27.2
Goods and Services	117.6	106.7	42.6	55.6
Interest Payments	45.8	63.8	30.8	44.3
Subsidies and Current Transfers	89.8	73.4	46.8	45.1
Capital Expenditure	135.4	163.5	59.8	74.2
Capital II	89.0	122.9	35.3	60.2
Capital III	46.3	40.2	24.4	13.8
Net Lending	0.2	0.4	0.2	0.2

Sources: MOF and CBB

Table A.35: Central Government's Revenue and Expenditure

$'000

	Approved Budget 2023/2024	Jan 2022 to June 2022	Jan 2023 to June 2023	Apr 2022 to June 2022	Apr 2023 to June 2023P	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,408,268	667,047	692,547	343,418	365,640	26.0%
1). Current Revenue	1,372,743	639,126	684,824	338,837	361,258	26.3%
Tax Revenue	1,260,400	597,242	646,119	311,335	338,885	26.9%
Income and Profits	360,756	170,979	192,397	85,657	91,714	25.4%
Taxes on Property	6,764	4,969	4,487	2,328	1,973	29.2%
Taxes on Goods and Services	667,492	315,863	360,258	165,842	194,434	29.1%
International Trade and Transactions	225,388	105,431	88,977	57,508	50,764	22.5%
Non-Tax Revenue	112,344	41,884	38,705	27,503	22,372	19.9%
Property Income	51,263	11,725	4,998	10,012	3,233	6.3%
Licences	17,652	9,512	8,948	4,097	5,008	28.4%
Other	43,429	20,646	24,759	13,394	14,131	32.5%
2). Capital Revenue	5,525	2,286	3,072	1,547	1,562	28.3%
3). Grants	30,000	25,635	4,651	3,033	2,820	9.4%
TOTAL EXPENDITURE (1+2)	1,496,282	643,983	691,236	308,482	364,060	24.3%
1). Current Expenditure	1,112,855	508,545	527,693	248,644	289,858	26.0%
Wages and Salaries	466,547	208,165	233,160	105,436	117,708	25.2%
Pensions	100,000	47,168	50,656	23,006	27,195	27.2%
Goods and Services	230,743	117,562	106,701	42,627	55,556	24.1%
Interest Payments on Public Debt	109,195	45,819	63,818	30,750	44,335	40.6%
Subsidies and Current Transfers	206,370	89,832	73,357	46,825	45,064	21.8%
2). Capital Expenditure	383,427	135,438	163,543	59,838	74,201	19.4%
Capital II (Local Sources)	218,125	88,987	122,916	35,251	60,208	27.6%
Capital III (Foreign Sources)	158,004	46,252	40,235	24,388	13,798	8.7%
Capital Transfer and Net Lending	7,299	199	392	199	195	2.7%
CURRENT BALANCE	259,888	130,581	157,131	90,194	71,400	27.5%
PRIMARY BALANCE	21,181	68,884	65,129	65,686	45,916	216.8%
OVERALL BALANCE	-88,013	23,065	1,311	34,936	1,581	-1.8%
Primary Balance less grants	-8,819	43,249	60,478	62,653	43,096	-488.7%
Overall Balance less grants	-118,013	-2,570	-3,340	31,903	-1,239	1.1%
FINANCING	88,013	-23,065	-1,311	-34,936	-1,581	
Domestic Financing		-22,169	-65,456	-59,223	-90,408	
Central Bank		96,335	-30,888	21,942	-65,078	
Net Borrowing		99,550	24,392	68,521	39,353	
Change in Deposits		-3,215	-55,280	-46,579	-104,431	
Commercial Banks		-125,197	-26,090	-91,652	-20,752	
Net Borrowing		-106,657	-18,625	-79,215	-37,278	
Change in Deposits		-18,540	-7,465	-12,437	16,526	
Other Domestic Financing		6,693	-8,478	10,487	-4,577	
Financing Abroad		24,824	80,964	15,363	73,953	
Disbursements		60,379	126,296	39,450	108,628	
Amortisation		-35,555	-45,331	-24,088	-34,675	
Other		-25,720	-16,820	8,924	14,874	

Sources: CBB and MOF

P - Provisional

Table A.36: Central Government's Domestic Debt

	Dec 2022	June 2023	Changes in Stock
			$mn
Overdraft	0.0	0.0	0.0
Loans	92.8	92.3	-0.5
Treasury Bills	245.0	244.3	-0.7
Treasury Notes	977.8	973.8	-4.0
Total	1,315.6	1,310.4	-5.2

Table A.37: Central Government's Domestic Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/22[R]	*TRANSACTIONS THROUGH JUNE 2023* Disbursement/ New Issue of Securities	Amortisation/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 30/06/23[P]
Overdraft/Loans	0	0	0	0	0	0
Central Bank	0	0	0	0	0	0
Domestic Banks	0	0	0	0	0	0
Treasury Bills	245,000	0	0	904	-700	244,300
Central Bank	123,017	0	0	472	16,084	139,101
Domestic Banks	114,468	0	0	396	-16,193	98,275
Other	7,515	0	0	36	-591	6,924
Treasury Notes	977,800	14,000	16,294	20,761	-1,700	973,806
Central Bank	554,755	14,000	6,000	8,347	220	562,975
Domestic Banks	139,212	0	8,000	3,633	0	131,212
Other	283,833	0	2,294	8,780	-1,920	279,619
Belize Bank Limited[(1)]	91,000	0	0	0	0	91,000
Belize Social Security Board[(2)]	35	0	34	1	0	1
Fort Street Tourism Village	765	0	383	0	0	383
Debt for Nature Swap	1,000	0	105	14	0	896
Total	1,315,601	14,000	16,815	21,680	-2,400	1,310,386

[R] - Revised

[P] - Provisional

[(1)] Caribbean Court of Justice award in November 2017 against the Government of Belize in favour of Belize Bank relating to the loan guarantee. Since the first quarter of 2018, the Belize Bank has been offsetting its business tax against the Universal Health Services (UHS) debt. At June 2023-end, the Belize Bank set-off approximately $68.4mn in taxes against the debt, split between principal payments ($43.9mn) and interest payments ($24.5mn).

[(2)] Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.38: Public Sector External Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/22[R]	*TRANSACTIONS THROUGH JUNE 2023* Disbursements	*Principal Payments*	*Interest & Other Payments*	*Parity Change*	Disbursed Outstanding Debt 30/06/23[P]
CENTRAL GOVERNMENT	2,489,254	128,696	45,331	41,140	-228	2,572,391
Government of Venezuela[(1)]	429,692	0	0	0	0	429,692
Kuwait Fund for Arab Economic Development	32,771	561	576	342	-149	32,607
Mega International Commercial Bank Company Ltd.	45,714	0	0	1,392	0	45,714
Republic of China/Taiwan	286,754	84,000	561	5,077	0	370,193
Caribbean Development Bank	336,440	19,032	11,099	6,434	0	344,373
CARICOM Development Fund	6,000	0	0	89	0	6,000
European Economic Community	4,029	0	208	13	-81	3,740
Inter-American Development Bank	303,652	8,798	12,225	8,049	0	300,225
International Fund for Agriculture Development	8,198	0	688	193	1	7,510
International Bank for Reconstruction and Development	71,825	3,876	2,309	1,823	0	73,393
OPEC Fund for International Development	182,632	5,387	8,289	3,343	0	179,730
Central American Bank for Economic Integration	18,947	4,642	1,176	663	0	22,412
Belize Blue Investment Company LLC	728,000	2,400	0	0	0	2,400
Caribbean Community Climate Change Centre	0	0	0	12,922	0	728,000
US$30.0mn Fixed-Rate Notes	34,600	0	8,200	800	0	26,400
NON-FINANCIAL PUBLIC SECTOR	61,822	6,679	4,228	1,649	0	64,274
Caribbean Development Bank	32,656	6,679	2,283	820	0	37,052
International Cooperation and Development Fund	29,167	0	1,944	829	0	27,222
FINANCIAL PUBLIC SECTOR	176,158	6,000	2,085	1,512	-108	179,963
Caribbean Development Bank	48,735	4,000	1,778	1,174	0	50,957
European Investment Bank	1,979	0	306	30	-41	1,630
Inter-American Development Bank	9,700	2,000	0	308	0	11,700
International Monetary Fund	115,744	0	0	0	-67	115,677
GRAND TOTAL	2,727,232	141,375	51,644	44,302	-336	2,816,627

R - Revised
P - Provisional
(1) Since September 2017, debt service payments for oil imports have been suspended due to U.S. sanctions on Petroleos de Venezuela, S.A. Unpaid debt service payments up to the end of June 2023 amounted to principal of $102.4mn and interest of $21.5mn.