CENTRAL BANK of BELIZE

SEPTEMBER 2021

QUARTERLY REVIEW

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List of Acronyms and Abbreviations

Acronyms:

BEL	Belize Electricity Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
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
IMF	International Monetary Fund
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
UK	United Kingdom
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 2021 figures in this report are provisional and the figures for 2020 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 2021 are based on the Central Bank's forecast.

Table of Contents

List of Charts and Tables

Charts

Tables

Summary of Economic Indicators

Money Supply

Broad Money Supply	Net Foreign Assets	Net Domestic Credit
September 2021	September 2021	September 2021
+8.9%	**+34.7%**	**+0.5%**
YTD change on December 2020	YTD change on December 2020	YTD change on December 2020

Liquidity and Interest Rates

Excess Cash	New Deposit Rates	New Lending Rates
September 2021	September 2021	September 2021
$370.4mn	**2.16%**	**8.54%**
+5.3% change on December 2020	**+15** bps change on December 2020	**+4** bps change on December 2020

Real and External Sectors

GDP	CPI	Unemployment Rate
January - September 2021	January - September 2021	September 2021
+15.2%	**+2.6%**	**9.2%**
Y-o-Y change on same period in the previous year	YTD change on the same period in the previous year	**2.0** percentage points lower than April 2021

Current Account Deficit	Financial Account Balance	Reserve Import Coverage
January - September 2021	January - September 2021	September 2021
$146.3mn	**$164.1mn**	**5.1**
+14.9% YTD change on same period of the previous year	**-40.9%** 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 - September 2021	January - September 2021	January - September 2021
$5.7mn	**+$2.9mn**	**+$128.8mn**
0.2% of GDP for the first half of the fiscal year	**$1,316.1mn** at September-end, 35.2% of GDP	**$3,035.7mn** at September-end, 81.2% of GDP

Overview

International Overview

The global economy continued to rebound during the third quarter of 2021, but was slowed by persistent supply bottlenecks and the emergence of Omicron—a new coronavirus disease 2019 (COVID-19) variant of concern. Growing supply disruptions in advanced economies and worsening pandemic dynamics in low-income developing economies caused the International Monetary Fund (IMF) to lower its July global growth projections in October by 0.1 percentage point to 5.9% for 2021. This outcome was partially offset by the expectations that output in some commodity-exporting emerging markets and developing economies would strengthen.

Growth momentum among advanced economies weakened significantly during the third quarter. United States (US) real gross domestic product (GDP) grew by 4.9% year-on-year in the third quarter, following a 12.2% second-quarter expansion on the same quarter one year ago. The deceleration in output was partially attributable to reduced spending on goods—as the Government's assistance programme waned—and on services—as a resurgence of COVID-19 cases resulted in new restrictions and delays in reopening establishments. US unemployment continued to trend downward, falling to 4.8% in September, but still lagged pre-pandemic levels. Driven by rising energy and food prices, the US all-items consumer price index rose 5.4% for the 12 months ending September. The United Kingdom's (UK) economy expanded by 6.6% year-on-year in quarter three, after a 23.6% increase the quarter before when many COVID-19 restrictions were eased. Among G7 countries, the UK had experienced the deepest contraction in output over the first three quarters of 2020. By September though, the level of GDP had improved to 2.1% below the pre-pandemic level of December 2019. Similarly, real GDP growth in the euro area moderated, decelerating

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

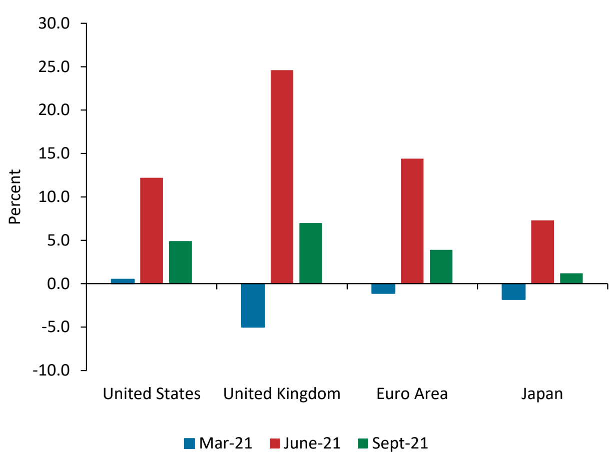
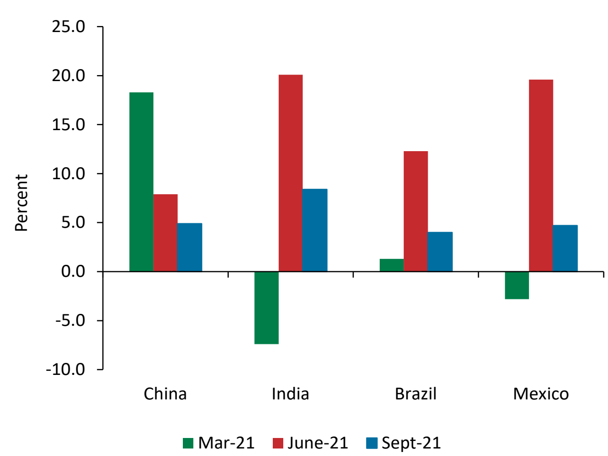


Chart 1.2: Quarterly GDP
Growth Rates Over the Same Quarter of the Previous
Year for Selected Emerging Economies



to 3.9% in the third quarter after a 14.4% lift in June relative to the same quarter of the previous year. Challenged by supply bottlenecks and increased COVID-19 infections, the Japanese economy inched up by only 1.4%.

The growth pace among most emerging economies cooled as well. China's third-quarter expansion slowed to 4.9%, hampered by energy shortages, headwinds in the residential property sector, and renewed COVID-19 outbreaks. Similarly, Brazil and India's output decelerated sharply from second-quarter double-digit gains to growth rates of 4.0% and 8.4%, respectively. Declines in agricultural production in the former and net exports in the latter weighed down the countries' performance. Mexico's GDP growth slid from 19.6% in the second quarter to 4.8% in the third quarter when compared to the same quarter a year ago. As growth tempered, the country recorded increases in service activities, industrial output, and agricultural production to a lesser extent.

In the Caribbean region, activities in tourism-dependent economies continued to strengthen, albeit at varying speeds. Barbados' economy expanded by 10.0% between July and September, relative to the corresponding period in 2020. However, for the first nine months of the year, the nation's output was 3.2% below the corresponding period of 2020. As the economy further re-opened, Jamaica's GDP increased by 5.8% during the third quarter of 2021 when compared to the third quarter of 2020. Increased activities in the services sector and goods-producing industries contributed significantly to the measured performance.

Domestic Overview

<u>Real Sector Developments</u>

Belize's nascent economic recovery from the dynamics of the pandemic continued into the third quarter of 2021. The country's real GDP expanded by 15.2% between June and September relative to the same quarter one year ago. The strong outturn primarily reflected the positive economic impact associated with the easing of strict COVID-19 measures. Hence, most of the contribution to the solid quarterly outturn stemmed from the revitalisation of service-based industries severely affected by lockdown measures. In addition, construction activities regained momentum, while agricultural production rebounded modestly from weather-related shocks. For the first nine months of the year, the economy grew by 9.5% year-on-year.

Employment conditions also strengthened. Stimulated by the economic recovery, the unemployment rate fell by 2.0 percentage points to 9.2% in September, down from 11.2% in April. New hirings were concentrated mainly among service industries amid rising job losses in the primary and secondary sectors.

Pressured by increasing food, fuel, and liquified petroleum gas prices, the consumer price index (CPI) rose by 2.6% on average over the review period. This jump is the largest on record over the same nine-month period since 2008.

Central Government Operations

Although the COVID-19 crisis continued to impact public finances adversely, critical indicators of the Central Government's fiscal performance strengthened. Central Government operations yielded a primary surplus of 0.2% of GDP for the first six months (April to September) of the 2021/2022 fiscal year (FY) compared to a deficit of 4.4% of GDP during the same FY 2020/2021 period. Concurrently, the overall deficit lessened to 0.7% of GDP from 5.4% of GDP in the comparative period. This sharp turnaround was driven by the solid economic rebound and new fiscal consolidation measures to restore fiscal sustainability. The overall fiscal deficit was financed solely from external debt proceeds.

By extension, the external public sector debt rose by 4.4% to $3,035.7mn (81.2% of GDP), and Central Government's domestic debt inched up by 0.2% to $1,316.1mn (35.2% of GDP) from January through September.

Balance of Payments

The external current account deficit increased slightly to $146.3mn, up from 3.8% of GDP over the first nine months of 2020 to 3.9% of GDP during the same period of 2021. The external imbalance worsened mainly because of a widening trade deficit even as service-export revenues strengthened with the rebound in tourism. However, net financial inflows contracted sharply. The rebound in direct investments was overshadowed by the reduction in net public sector borrowings that coincided with the buildup in domestic banks' foreign assets. Nevertheless, net financial inflows (inclusive of a new Special Drawing Rights (SDR) allocation) supported a $125.5mn increase in the Central Bank's gross international reserves to $823.4mn—the equivalent of 5.1 months of imports.

Money and Credit

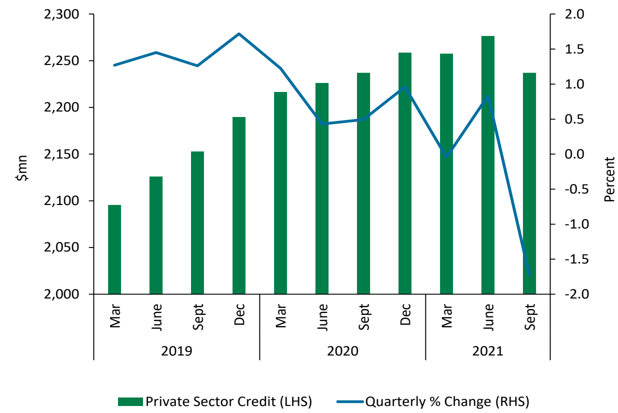
Broad money supply (M2) grew by 8.9% year-on-year over the first three quarters of 2021. The quick growth pace was driven by an unprecedented increase in net foreign assets as the growth in net domestic credit moderated. The rapid foreign asset accumulation underpinned the $230.9mn expansion in domestic banks' excess liquid holdings to 88.8% above the secondary reserve requirement. Excess cash reserves grew by $18.5mn, and was 163.1% above the primary reserve requirement. Even though bank liquidity expanded, interest rates rose, underscoring the uneven deposit distribution among banks and tightened credit conditions since the onset of the pandemic crisis. Accordingly, the 12-month weighted average interest rates on new loans ticked up by four basis points to 8.54%. The corresponding rate on new deposits rose by 15 basis points to 2.16%, narrowing the interest rate spread by 11 basis points to 6.38%.

Money and Credit

Money Supply

Monetary conditions continued to be influenced by the economic recovery from the health and economic crisis. Shaped by an unprecedented rise in foreign assets whilst credit expansion trailed, M2 increased by 8.9% during the year's first three quarters. This performance marked the most robust growth over this period since 2008. Both components of M2 expanded strongly. First, narrow money (M1) grew by 10.0% or $195.6mn, reflecting a $201.9mn rise in demand deposits. Demand deposits skyrocketed due to a sharp build-up of foreign currency deposits and local currency deposits for business enterprises, non-depository financial institutions, and credit unions. In addition, savings/chequing deposits grew by $5.8mn, reversing the marginal contraction recorded during the same period last year. The expansion in those two sub-categories easily outweighed a $12.0mn contraction in currency with the public, which retreated from its seasonal year-end high. Second, quasi-money increased at a slightly slower pace, up 7.6% or $118.6mn. Time and savings deposits, the two sub-components of quasi-money, rose by $79.1mn and $39.5mn, respectively. Of note, the marked increase in time deposits was due to a one-off transaction associated with the sale of a banking institution earlier this year.

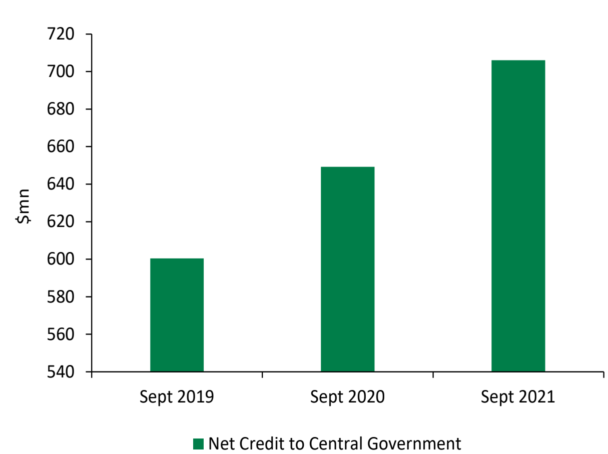
Chart 2.1: Domestic Banks' Private Sector Credit



Net Domestic Credit

Net domestic credit growth slowed considerably through September. Aggregate credit growth increased by only $16.7mn (0.5%) to $3,056.5mn, down considerably from $73.6mn in the same period a year ago. This outturn was a consequence of subdued lending to the private sector, while credit to Central Government and other public bodies contracted. Net credit to Central Government fell by $16.1mn, as an $18.8mn reduction in domestic bank financing overshadowed a $2.7mn uptick in financing from Central Bank. Concurrently, domestic credit to other public sector entities slipped by $10.8mn with net repayments of $10.5mn and $0.2mn by state-owned utilities and other statutory bodies exceeding net disbursements of $1.3mn to local governments. Private sector credit grew by $43.6mn, marginally lower

Chart 2.2: Net Credit to Central Government



than the $47.4mn expansion recorded during the comparable period of 2020. Net disbursements were mainly for tourism ($42.1mn), construction ($22.3mn), and agricultural ($5.1mn) activities. Increased lending to these sectors was partly offset by a $42.5mn decline in outstanding personal loan balances.

COVID-19 loan forbearances granted by domestic banks continued to slow. Loan forbearances issued during the third quarter summed to $14.7mn, raising the total to $851.3mn, representing approximately 36.4% of their loan portfolio since the pandemic outbreak. Write-offs more than doubled to $27.3mn compared to the $12.4mn written off during the analogous period of 2020. Consequently, domestic banks' non-performing loans (net of specific provisions) to total loans (NPL ratio) improved from 4.4% in December 2020 to 2.5% at September end, well below the 5.0% prudential benchmark. Furthermore, domestic banks' return on assets ratio (ROA) strengthened from 0.4% in December 2020 to 0.6% at the end of September, albeit still below the 1.0% benchmark.

Net Foreign Assets

The net foreign assets of the banking system ballooned over the review period, increasing by $347.1mn (34.7%) to $1,347.1mn. The strong upturn was underpinned by a pronounced rise in domestic banks' foreign holdings and, to a lesser extent, that of the Central Bank. Domestic banks' foreign balances grew to a high of $522.8mn after rising by $222.0mn (73.8%), of which 85.4% of that growth occurred between April and September. The relaxation of COVID-19 restrictions led to a strong rebound in foreign exchange earnings from export-oriented service industries, including tourism and wholesale and retail trade. Inward remittances and foreign direct investments, as well as revenue from business process outsourcing firms, also contributed to the upturn in banks' foreign assets. Outflows were also tightly managed to ensure monetary and financial stability.

Chart 2.3: Change in Domestic Banks' Loans and Advances, Dec 2020 - Sept 2021

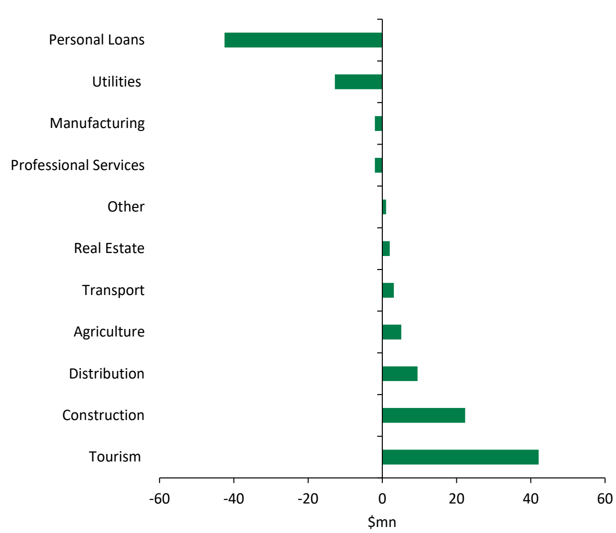
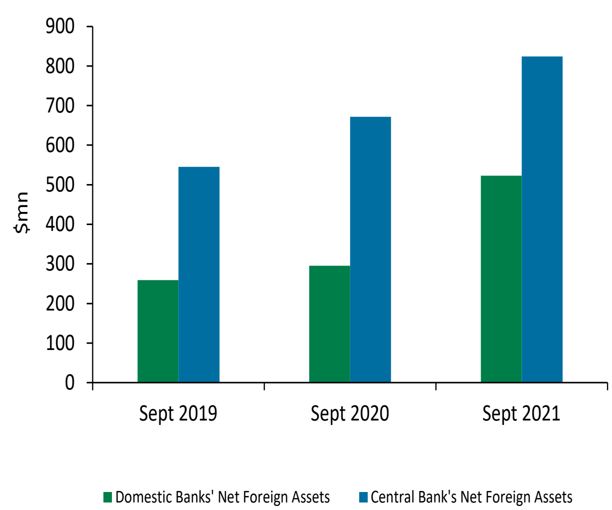


Chart 2.4: Net Foreign Assets of the Banking System



The Central Bank's foreign currency holdings increased by $125.1mn (17.9%) to $824.3mn between January and September. Gross foreign currency inflows amounted to $311.9mn, mostly emanating from $97.2mn in external loan proceeds, a $72.6mn SDR allocation from the IMF in August, $69.5mn in sugar export receipts, and $20.3mn in grants from development partners. Gross foreign currency outflows summed to $186.4mn. Although less than inflows, outflows were 2.5% greater than the amount recorded in the same period of 2020. Outflows mainly comprised Central Government's external debt service payments, which at $108.1mn, was 25.5% below the amount at the same point last year. The falloff in debt service payments reflected the cash relief Central Government obtained from debt service moratoriums granted by external creditors. In addition, a regional entity was paid $24.0mn to settle the redemption of its Treasury bills (T-bills).

Bank Liquidity

Buoyed by the upswing in domestic banks' net foreign assets, domestic bank liquidity expanded strongly amid tightened credit conditions. Domestic banks' excess liquid assets increased by $230.9mn over the three quarters to $651.2mn. As a result, excess liquid assets were 88.8% above the secondary reserve requirement. However, the growth in excess cash reserves was lesser, up $18.5mn to $370.4mn, but standing at 163.1% above the 6.5% primary reserve requirement.

Interest Rates

With deposit rates rising faster than lending rates, domestic banks' interest rate spread narrowed by 11 basis points over the review period to 6.38% at September end. The 12-month (rolling) weighted average interest rate on new loans inched up by four basis points over the past nine months to 8.54%, with higher rates in three of the four major loan categories. Weighted average lending rates rose by 28, 35, and 39 basis points on personal, residential construction, and other

Chart 2.5: Changes in Bank Liquidity

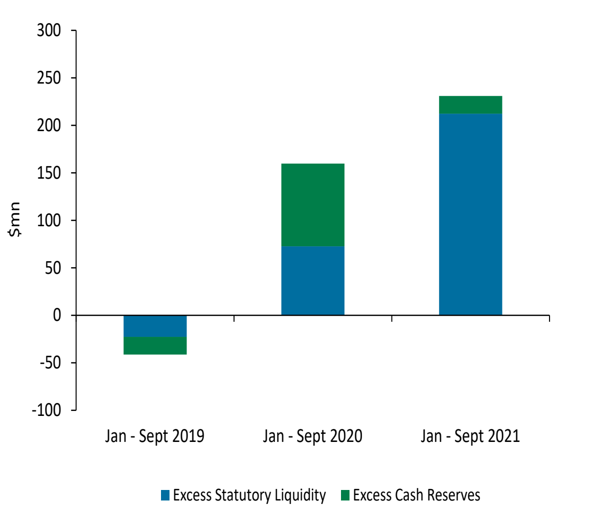
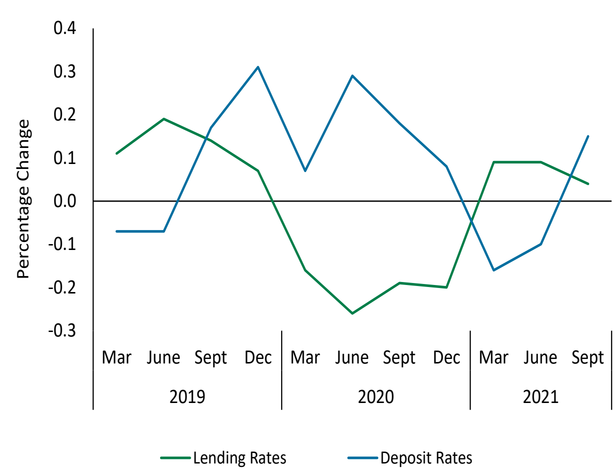


Chart 2.6: Change in Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits



miscellaneous loans, respectively. These upward rate movements were almost offset by a 12-basis point decline in commercial loan rates.

Concurrently, the 12-month (rolling) weighted average interest rate on new deposits rose by 15 basis points between January and September to 2.16%. The upward momentum in deposit rates was solely based on a 19-basis-point rise in time deposit rates. This outcome outweighed a 27- and 20-basis-point reduction on savings/chequing and savings deposits, respectively. Meanwhile, demand deposit rates remained unchanged at zero basis point.

Credit Union Lending

Aggregate credit union lending continued to contract. Credit unions' outstanding loan balances fell by $23.6mn over the first three quarters of 2021, marking the sixth consecutive quarterly decline. The credit downturn reflected reduced outstanding balances in two main loan categories: real estate ($26.5mn) and building and construction ($4.1mn). The combined impact of repayments and write-offs within these categories easily overshadowed net disbursements of $4.8mn and $4.2mn for personal and manufacturing purposes.

Credit unions' COVID-19 loan forbearances summed to $154.0mn, equivalent to 25.2% of their aggregate loan portfolio. Loan write-offs amounted to $13.2mn, more than triple the position accumulated during the same period of 2020. This sharp increase in write-offs contributed to the lowering of credit unions' aggregate NPL ratio from 2.0% in December 2020 to 1.7% at the end of September. Meanwhile, credit unions' ROA dipped marginally from 3.7% in December 2020 to 3.3% at the end of September.

Open Market Operations

Lukewarm demand for low-risk T-bills resulted in a dip in yields. Transactions in

Chart 2.7: Change in Credit Unions' Loans and Advances, Dec 2020 - Sept 2021

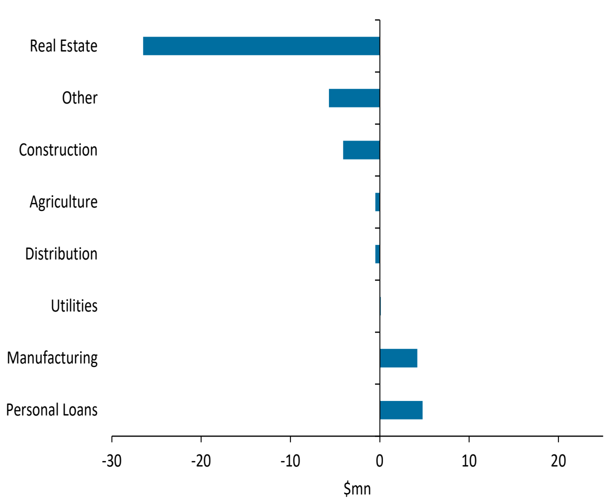
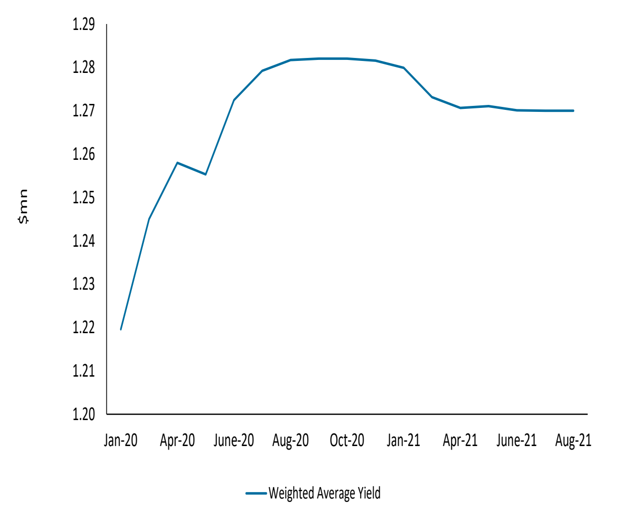


Chart 2.8: Treasury Bill Yields



rollover auctions caused the distribution among the three main institutional units to vary. Over the review period, domestic banks' aggregate T-bill holdings grew by $2.1mn to $208.1mn, tilting their share of total outstanding T-bills upwards by 0.9 percentage points to 84.9%. In contrast, non-bank entities lowered their holdings by $24.4mn to $5.1mn, culminating in a 10.0-percentage-point reduction to 2.1%. The Central Bank acquired most of the securities surrendered by non-bank entities. Hence, its holdings rose by $22.3mn to $31.8mn, lifting its share by 9.1 percentage points to 13.0%. Competitive bidding in auctions led to a one-basis-point decline in the weighted average yield to 1.27000%.

Domestic Production and Prices

Real Gross Domestic Product

Belize's economy continued to rebound strongly from the adverse effects of the pandemic. In the third quarter of 2021, the country's real GDP increased by 15.2% when compared to the same period of 2020. The major impetus behind the quarterly increase stemmed from value-added gains in distributive trade and tourism activities, boosted by the vacination rollout and the loosening of COVID-19 restrictions.

For the first nine months of 2021, the economy grew by 9.5% year-on-year. This outturn resulted from the low base arising from the deep 16.9% contraction recorded in the same period of 2020 when lockdown measures were much stricter. Robust outturns in agriculture, construction, distributive trade, and transportation contributed significantly to the overall increase amid a sharp decline in government services. Nevertheless, output was 9.0% less than the pre-COVID-19 level of 2019.

Primary sector output increased by 12.3% over the first three quarters of the year compared to the same period of 2020. Led by a recovery in sugarcane and banana yields from weather-related damages and an upsurge in cattle exports with the lifting of trade barriers, output in the *"Agriculture, Hunting, and Forestry"* industry rose by 12.8%. Concurrently, large conch hauls countered falloffs in farmed shrimp production and wild lobster catches, giving way to a 6.3% increase in *"Fishing."*

Secondary sector output grew by 4.7% over the three quarters, driven by a resurgence in construction and manufacturing activities, which overshadowed a modest decline in electricity generation. *"Construction"* grew by 19.2%, as works on large infrastructural projects and tourism-related investments picked up after the initial disruption caused by lockdown measures. *"Manufacturing"* inched up by 3.6%, owing to heightened sugar, beer, rum, flour, and oil output, while the production of citrus juices and fertilisers declined. Conversely, *"Electricity and Water Supply"* contracted by 3.8%, owing to a marked decline in biomass energy output.

The tertiary sector expanded by 7.4%, with mixed results across service industries. The reopening of the commercial free zone, alongside the pick-up in aggregate demand, underpinned a 25.1% expansion in the *"Wholesale and Retail Trade"* industry. Meanwhile, the upsurge in sugarcane deliveries, alongside the resumption in tourism, contributed to the 19.9% outturn in *"Transport and Communication."* On the downside, *"Hotels and Restaurants"* dipped 1.4% as the recommencement of international travel continued to be affected by the emergence of new COVID-19 variants. In addition, *"Producers of Government Services"* plunged 20.8%, reflecting the effects of the public workers' wage cut on indicators used to compute the value added of this item.

Sugarcane and Sugar

Sugarcane deliveries for the 2020/2021 crop year grew by 23.2% relative to the previous period, to a record high of 1,863,756 long tons. The historic outturn reflected a sharp rebound from drought damages in the north and increased production arising from investments in new production acreage out west. Accordingly, sugarcane deliveries to the northern mill surged by 36.2% to 1,198,072 long tons over 213 days of harvest (from 28 December to 28 July). Meanwhile, sugarcane deliveries to the western mill increased by 5.2% to 665,685 long tons over 178 days of harvest (from 25 January to 21 July).

In line with the movement in deliveries, sugar production rose by 23.5% to 175,065 long tons. Favourable weather conditions contributed to the boost in sugar yields in the north, while the reverse occurred in the western region. Hence, sugar production spiked 40.9% in the north to 121,751 long tons, resulting in a 3.3% improvement in the long tons cane to long ton sugar (TC/TS) ratio to 9.8. In contrast, sugar production contracted by 3.7% out west, as heavy precipitation triggered a fungi outbreak that reduced the cane's sugar content. As a result, the milling efficiency deteriorated, with the TC/TS ratio declining markedly to 12.5.

Furthermore, aggregate molasses production rose by 8.4% to 67,763 long tons.

The final estimated average unit price for deliveries at the northern mill fell by $0.68 to $54.56 per long ton. Payments to farmers weakened as the benefits from cane quality improvements were eroded by rising freight costs.

Citrus

Devastated by citrus greening, citrus deliveries plummeted by 45.3% for the 2020/2021 harvest season to a record low of 1,401,148 boxes. The poor outturn occurred even though harvesting was extended into September to accommodate sporadic fruit production for the second consecutive year. Consequently, the harvest period was lengthened by 17 days to a new high of 347 days, beginning on 19 October and culminating on 30 September. When disaggregated, orange deliveries plunged by 46.5% to 1,283,640 boxes, while grapefruit deliveries contracted by 27.4% to 117,508 boxes.

In tandem, citrus juice production nosedived 47.2% to 7.7mn pound solids (ps). This performance reflected a 3.3% decline in average juice yield to 5.5 ps. Orange juice production plunged by 47.7% to 7.3mn ps, as the average juice yield slid 2.3% to 5.7 ps. Grapefruit juice production fared worse, down 35.1% to 0.4mn ps, exacerbated by a 10.7% contraction in juice yield to 3.7 ps.

The manufacturing of citrus by-products also fell steeply. Over the period, citrus pulp and oil output declined by 34.8% to 1.1mn ps and 50.1% to 0.4mn ps, respectively.

The final price for orange deliveries surged by $0.34 to $2.14 per ps. The positive development was due to tightened orange concentrate juice supply, as the US and Brazil faced weather-related disruptions amid heightened demand for vitamin-C-rich foods during the pandemic. Conversely, the final price for grapefruit deliveries contracted by $0.58 to $3.81, as consumer preference waned worldwide.

Banana

Underscoring the industry's gradual recovery from Hurricane Nana damages, heightened production outturns over the last two quarters outweighed the marked decline in the first quarter. Consequently, banana production grew by 4.6% to 3.9mn boxes from January to September. Investments to increase production acreage along with improved weather conditions contributed to the favourable outturn.

Petroleum

Over the nine-month review period, crude oil extraction dipped by 10.3% to 130,551 barrels, reflecting a 53-barrel decline in the daily extraction rate to 478 barrels per day. Spanish Lookout's oil fields accounted for virtually all the production, since only 914 barrels were recovered from wells in Never Delay. Notably, after peaking in 2009 with 1,183,194 barrels, oil production has progressively declined for 12 consecutive years, with both oil fields now passing through their final production stage.

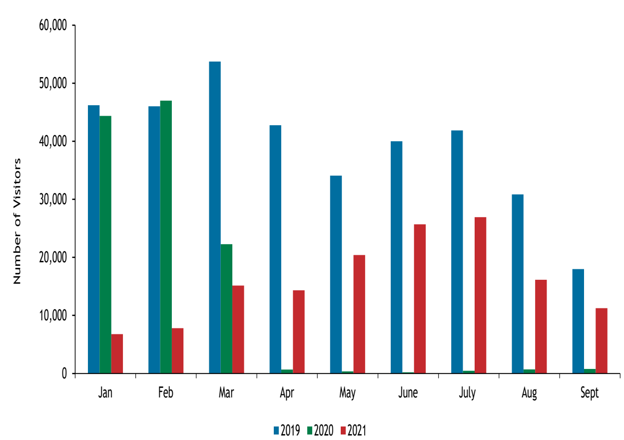
Tourism

The World Tourism Organisation estimated a 20.0% downturn in international tourist arrivals over the first nine months of 2021 vis-à-vis the same period in 2020. Owing to relaxed travel restrictions for immunised travellers in tandem with more comprehensive vaccine roll-out programs, overnight visitors to the Americas registered a 1.0% uptick, while those to Europe were down by 8.0%. Notably, arrivals to the Caribbean had increased by 55.0% because of heightened travel demand during the summer months, though this outcome was 38.4% below 2019's figures.

Back home, the number of confirmed COVID-19 cases more than tripled to 7,550 during the third quarter when compared to the same quarter of last year. In turn, the Centers for Disease Control and Prevention raised the country's travel health notice threshold from Level 2 to Level 4 between 1 July and 13 September.

Stay-over arrivals contracted by 10.1% to 54,323 in the third quarter of 2021 relative to the second quarter of the year. This decline was partly influenced by seasonality effects and the upswing in COVID-19 infections. Significant falloffs were recorded in August and September after July recorded the largest monthly increase in international visitors since February 2020.

Chart 3.1: Stay-Over Arrivals



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

Notwithstanding, stay-over arrivals rose by 23.7% to 144,467 for the first nine months of 2021 compared to the same period of 2020. However, arrivals nosedived by 59.1% vis-à-vis the first nine months of 2019 before the pandemic struck. The US remained the top source market for stay-over arrivals, as their market share increased by 20.8 percentage points to 85.2%. However, the share of visitors from Europe and Canada contracted to 2.5% and 1.1%, respectively, owing to relatively tighter travel restrictions in those countries.

On 7 July, cruise line services to Belize resumed after a 16-month suspension dating back to 13 March 2020. This led to 22 port calls yielding 43,662 cruise ship disembarkations over the third quarter. At this level, disembarkations plummeted 85.9% over the first nine months of 2021 to 43,662 visitors. The Belize City and Harvest Caye ports harboured 17 and 5 ships, respectively, when disaggregated.

Consumer Price Index

Inflation surged as the CPI rose by an average of 2.6% over the first nine months of 2021 relative to the same period of 2020. The inflation rate was the highest observed over the same period since 2008 amid headwinds stemming from the Global Financial Crisis. Like 2008, the current cost pressure was mainly attributed to fuel and food price hikes. Accordingly, significant price increases were observed for imported petroleum by-products in "*Transport*" (6.9%) and fresh fruits and vegetables in "*Food and Non-Alcoholic Beverages*" (4.8%). Furthermore, upswings for liquefied petroleum gas lifted

Chart 3.2: Consumer Price Index

"*Housing, Water, Electricity, Gas, and Other Fuels*" (1.2%). The upward price momentum was softened by reduced prices for tablets, external storage devices, and television sets in "*Information and Communication*" (3.9%); men and women's clothing in "*Clothing and Footwear*" (0.6%); and hotel accommodation in "*Restaurants and Accommodation Services*" (5.9%).

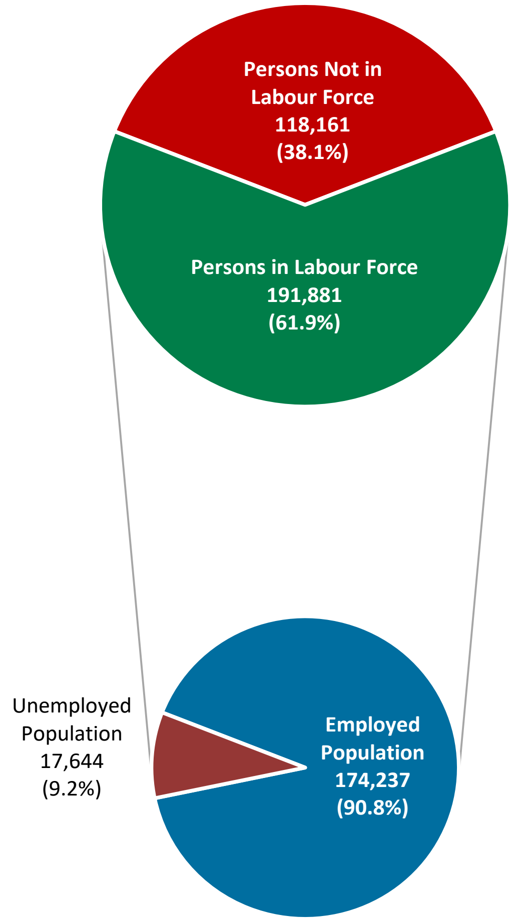
Employment

At 9.2% in September 2021, the unemployment rate fell by 2.0 percentage points relative to April 2021 and by 4.5 percentage points compared to September 2020. Over the most recent six-month period, the number of unemployed persons declined by 13.2% to 17,644, as the relaxation of lockdown measures spurred an increase in consumer-facing jobs alongside an uptick in labour force participation.

New hires outpaced an upswing in labour force participation. Between April and

September, the number of employed persons rose by 7.9% to 174,237. Employment growth was limited to the services sector, which rose by 16.5% to 118,204 persons. Significant gains in jobs within the tourism, wholesale and retail trade, and real estate industries contributed significantly to this outcome. Conversely, the number of employed persons in the primary and secondary sectors fell by 1.2% and 10.4% to 28,004 and 27,782, respectively. Fewer jobs in agriculture explained the decline in the former, while reduced employment in manufacturing and construction activities was responsible for the latter. Meanwhile, the labour force participation rate rose by 2.2 percentage points to 61.9%, driven by an upsurge of persons who rejoined the labour force after being displaced by the pandemic. The number of persons who stopped working because their employer closed or lost business due to COVID-19 shrunk by 39.0% to 5,206.

Chart 3.3: Labour Force



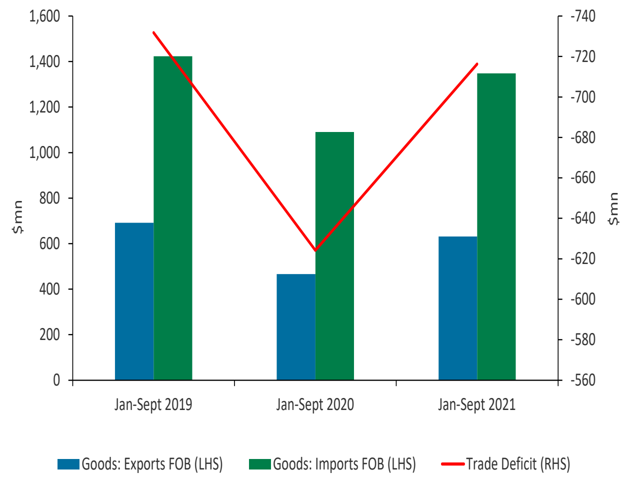
International Trade and Payments

The external current account deficit on the balance of payments widened marginally over the review period. The deficit rose from $127.3mn (3.8% of GDP) over the first nine months of 2020 to $146.3mn (3.9% of GDP) during the same period of 2021. The growing imbalance was driven mainly by increased payments for foreign goods and profit repatriation to a much lesser degree. The rise in outlays was partly offset by increased revenues from the rebound in tourism, an expansion in outsourcing services, and heightened inward remittances. In addition, net capital inflows inched up to $20.3mn, boosted by a boon of infrastructural-related grants. Meanwhile, the financial account balance contracted modestly to $206.1mn, reflecting a slowdown in the incurrence of foreign liabilities. This outcome was due to a cutback in public sector external borrowings and a spike in domestic banks' foreign assets as net foreign direct investments strengthened. The surplus in financial inflows led to a $125.5mn increase in the Central Bank's gross international reserves to $823.4mn—the equivalent of 5.1 months of imports.

Merchandise Trade

The deficit on trade-in-goods expanded by 14.7% to $716.3mn during the first nine months of 2021, as imports increased more than exports. Gross imports, FOB, rose by $257.6mn to $1,347.9mn. An upsurge in domestic imports into the customs territory was chiefly responsible for this result, as imports into the Corozal Free Zone expanded by only $32.4mn to $183.3mn. Gross exports, FOB, increased by $168.9mn to

Chart 4.1: Trade Deficit in Goods



$631.6mn with contributions from all three major export components. First, domestic exports rose by $38.6mn to $336.2mn, driven mainly by higher sugar and animal feed receipts. Second, Corozal Free Zone sales increased by $100.1mn to $236.2mn after reopening on 1 February 2021. Notably, the upsurge in free zone sales accounted for almost three-fifths of the overall rise in exports. Third, other re-exports more than doubled to $59.2mn, spurred by heightened sales of imported beer to a neighbouring country and fuel to international aircrafts.

<u>Gross Imports</u>

Gross imports, FOB, increased by 23.6% compared to the first three quarters of 2021, as the pickup in aggregate demand coincided with inflationary pressure among the country's main trading partners. The impact was broad-based, as the value of imports rose across all major categories of goods. Spending on "*Manufactured Goods*" rose by the most significant margin, increasing by $71.4mn with additional purchases of construction materials, including corrugated steel rods, stainless steel pipes, and cement. "*Mineral Fuels and Lubricants*" grew by $60.8mn, pressured by rising demand and soaring prices of fuel products. "*Machinery and Transport Equipment*" and "*Commercial Free Zone*" increased by $53.4mn and $43.9mn, respectively. While heightened purchases of sealing machines, food and beverage processing machinery, and motor vehicles lifted the former, the procurement of additional footwear, bags, and clothing pushed up the latter. "*Chemical products*" climbed $30.1mn with increased purchases of diagnostic testing kits and fertilisers. Lastly, "*Other Manufactures*" grew by $25.4mn, propelled by higher outlays on surveying instruments and optical equipment.

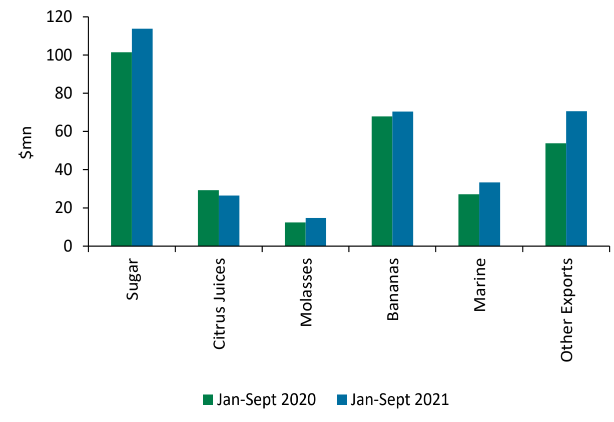
Domestic Exports

Domestic exports grew by 13.0% over the same nine months of last year, largely reflecting benefits from a strong rebound in agricultural and fisheries production from adverse weather-related events. Increased earnings from sugar, molasses, banana, marine products, and other miscellaneous products were the main drivers behind this improvement, while citrus and petroleum revenues declined.

Sugar and Molasses

Sugar exports grew by 18.8% to 137,332 long tons in volume, underpinning a disproportionate 12.2% rise in earnings to $113.8mn, as bulk sugar prices weakened. Europe remained the leading destination for this commodity. Exports to that market was 81.1% of the sale volume and consisted solely of bulk sugar, valued at $83.8mn.

Chart 4.2: Domestic Exports



Sources: SIB and CBB

The US, the second-largest market, bought 14,616 long tons, valued at $17.4mn under the country's tariff-rate quota programme. The balance was distributed between the Caribbean Community (CARICOM), who purchased 11,265 long tons of bagged sugar valued at $12.6mn, and Canada, who bought 22 long tons of bagged sugar valued at $0.1mn. Molasses exports were also robust, increasing by 26.3% to 55,394 long tons for $14.7mn.

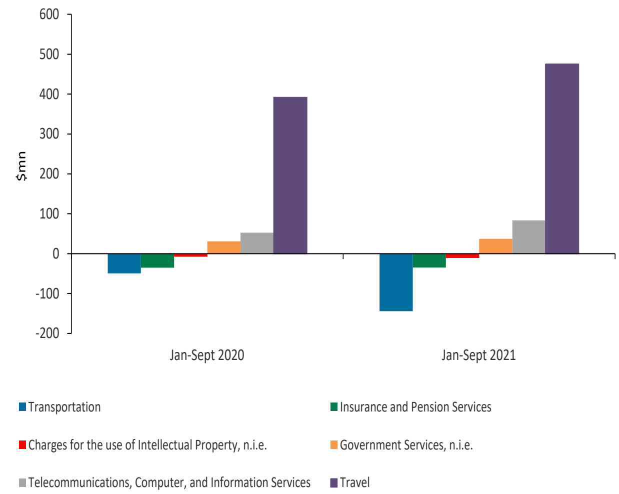
Citrus Juices and Pulp

Citrus juice exports declined by 18.6% to 8.4mn pound solids (ps), while earnings fell by only 9.8%. The disproportionate falloff in revenues was due to improvements in orange concentrate juice prices on the US market, where demand strengthened amid the pandemic. Hence, orange concentrate earnings were down 7.0% at $24.5mn, despite a 17.9% decline in sale volume to 8.1mn ps. In contrast, average grapefruit concentrate prices slid marginally, as a 35.7% downturn in sale volume to 0.3mn ps resulted in a 37.1% revenue decline to $1.7mn.

Marine Exports

Although marine export volume dipped by 1.5% to 1.4mn pounds, revenues grew by 23.0% to $33.3mn, supported by heightened lobster and conch prices. Lobster receipts increased by 18.5% to $25.4mn, even though its sale volume fell by 8.5% to 0.7mn pounds. Similarly, conch receipts more than doubled to $6.6mn, following a 96.3% boost in export volume to 0.5mn pounds. On the downside, farmed shrimp earnings virtually halved to $1.3mn, with its export volume down 39.5% to 0.3mn pounds.

Chart 4.3: Sub-components of Services



Banana

Banana export receipts grew by 3.7% to $70.4mn. The modest revenue increase was driven by a 4.6% expansion in export volume to 71,505 metric tons.

Crude Oil

Crude oil exports were negligible. Only 5,719 barrels were sold to Guatemala. This yielded $0.6mn in revenue at an average price of US$101.11 per barrel, spurred in part by the global recovery.

Services

The services surplus increased by 16.7% to $481.3mn over the first three quarters of 2021. Service exports were boosted by an upturn in tourism earnings and an expansion in other services receipts, which together outweighed a ramp-up in freight payments. Travel receipts grew by 27.6% or $108.2mn to $500.0mn with the resurgence in international air travel as COVID-19-related restrictions eased. In addition, net inflows for other miscellaneous services rose by $55.3mn to $125.6mn, driven mainly by the growth in business process outsourcing services and, to a lesser extent, inflows to a regional organisation headquartered in Belize. However, the near tripling of net transportation payments to $144.3mn moderated the surplus buildup. International transportation costs soared, as the demand for ocean freight intensified amid the global pandemic recovery.

Primary and Secondary Income

Net outflows on the primary income account increased by 19.1% ($18.7mn) to $116.9mn. Outflows rose as reinvested earnings from domestic banks more than doubled, and profit repatriation from the energy sector resumed following the pause when the pandemic began. The upswing in returns on foreign capital easily outweighed the decline in interest payments on Central Government's liabilities arising from debt suspension initiatives with non-commercial external creditors. In contrast, net inflows on the secondary income sub-account rose by 12.6% ($22.9mn) to $205.5mn. Heightened inward remittances and in-kind donations

Chart 4.4: FDI Breakdown by Sector

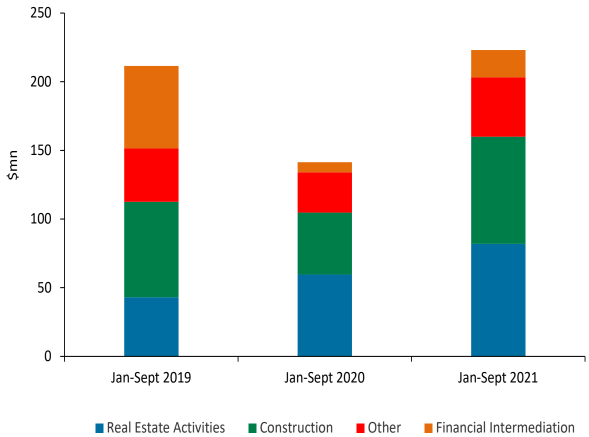
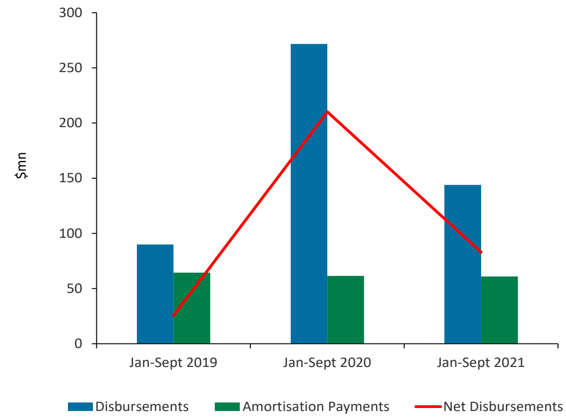


Chart 4.5: Central Government Net External Loan Disbursements



to the health sector to combat COVID-19 were primarily responsible for the rise in current transfers.

Capital and Financial Account

The balance on the capital account recorded a surplus of $20.3mn, up $1.2mn compared to the same period the year before. Inward capital transfers were mainly tied to grants from the United Kingdom's Caribbean Infrastructure Fund that supported the Phillip Goldson and Coastal Highways upgrade.

The overall balance on the financial account resulted in net borrowings of $164.1mn, down 40.9% relative to the first nine months of 2020. The steep decline in financial inflows reflected a marked decrease in government borrowings against a substantial increase in domestic banks' foreign asset accumulation. Over the period, net public sector borrowings contracted nearly four-fold to $59.0mn, while domestic banks' foreign assets almost quintupled to $222.0mn. However, a near doubling in net foreign direct investments, coupled with a sharp upturn in private sector borrowings, partly offset those effects. Notably, net foreign direct investments of $190.7mn were channelled mainly into tourism-related construction and real estate activities. Concurrently, net private borrowings of $65.4mn were directed to the tourism and distributive sectors.

Government Operations and Public Debt

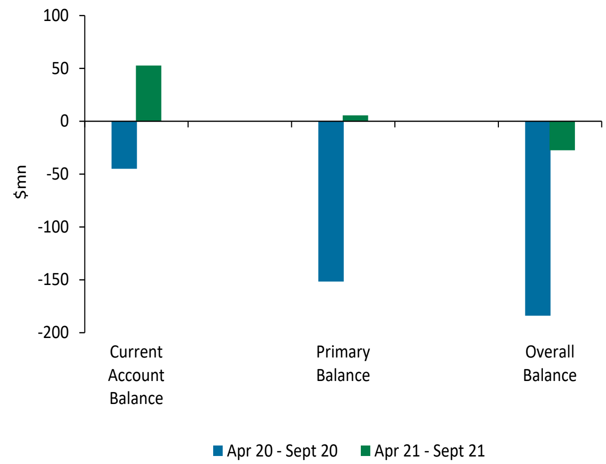
Central Government Operations

Fiscal operations were dominated by the nascent economic recovery and the Government's fiscal consolidation plan. Between January and September, Central Government's revenue and grants fell by 1.1% or $8.4mn to $734.3mn when compared to the same period of 2020. However, the Central Government's implementation of a *"Medium-Term Recovery Plan"* at the start of the new fiscal period yielded a 16.6% or a $168.0mn reduction in total expenditure to $843.2mn. Over this period, the primary deficit narrowed by $132.0mn to $61.3mn (1.6% of GDP) and the overall deficit improved by $159.6mn to $108.9mn (2.9% of GDP). Net borrowings from abroad covered the overall deficit.

The strong economic rebound, which started in the second quarter of the calendar year, supported a favourable turnaround in Government's net operating balance. Central Government's revenues strengthened steadily, while expenditure restraint was maintained. Hence, for the first six months of the FY 2021/2022, fiscal operations generated a primary surplus of $5.7mn (0.2% of GDP), a reversal of the $151.6mn (4.4% of GDP) deficit recorded in the first half of the FY 2020/2021. Concurrently, the overall deficit improved to $27.4mn (0.7% of GDP) from $184.0mn (5.4% of GDP) in the comparative fiscal period.

Total revenue and grants had increased by $60.9mn to $512.4mn relative to the same

Chart 5.1: Central Government Operations



Sources: MOF and CBB

fiscal period a year earlier. At 49.4% of the budgeted amount, the revenue upturn was driven solely by heightened tax receipts, since non-tax revenue and grants declined. Tax receipts surged by 21.6% or $83.1mn to $467.4mn, owing mainly to increases in excise duties ($26.6mn), general sales tax ($22.1mn), import duties ($19.6mn), and stamp duties ($16.1mn). The ongoing economic recovery, which drove up the importation of fuel and other goods, underpinned the growth in sales taxes, excises, and customs and import duties. Stamp duties soared with the clearing of land transactions and other government services that were backlogged. However, income and business taxes remained depressed, down $5.1mn and $11.8mn, respectively. Altogether, income and profits were down by 17.5% relative to the period before when lockdown measures were relatively tighter, underscoring the distance from complete recovery to pre-crisis levels. Meanwhile, non-tax revenue narrowed by

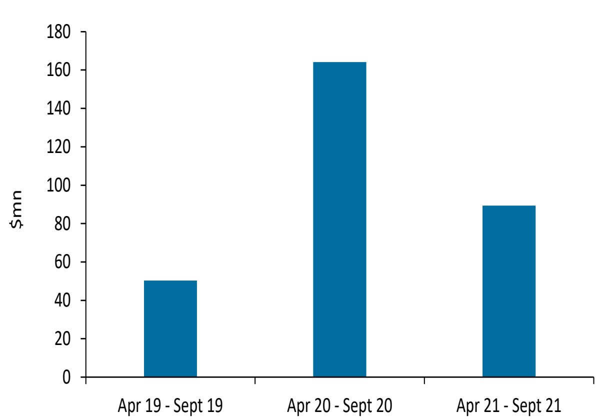
$3.5mn to $35.3mn. This outcome resulted as the reduction in profit transfers from quasi-public corporations and receipts from international businesses eclipsed the upturn in licence fees and other income transfers from various Government departments. Furthermore, grants contracted by $9.7mn to $8.1mn.

Total expenditure fell by 15.1% or $95.7mn to $539.7mn, owing to cuts in current spending and capital spending to a more significant extent. At 52.1% of budgeted outlays, current expenditure contracted by 3.9% or $18.0mn to $449.9mn. *"Wages and Salaries"* declined by $21.3mn because of the 10.0% cut in public officers' wages whose emoluments were equal to or greater than twelve thousand dollars per annum at the end of the previous fiscal period. This austerity measure, which took effect on 1 June, was implemented to help put the public debt on a downward trajectory by way of the Public Sector Emoluments and Allowances Reduction Act, 2021. *"Transfers and Subsidies"* trailed, down $3.2mn. In contrast, the remainder of recurrent outlays expanded marginally with *"Goods and Services," "Interest Payments,"* and *"Pensions,"* rising by $6.5mn combined.

Capital expenditure plunged by 46.4% or $77.7mn to $89.8mn but accounted for only 30.0% of the budgeted line item. The steep cutback reflected reduced spending on COVID-19-related social safety net programmes, as well as delays linked to project execution. Development spending amounted to $89.4mn. Infrastructural work on various road and highway projects accounted for approximately 41.0% of this amount. In addition, 20.0% was spent on environmental and land management projects, while 21.0% was allotted to COVID-19-related programmes.

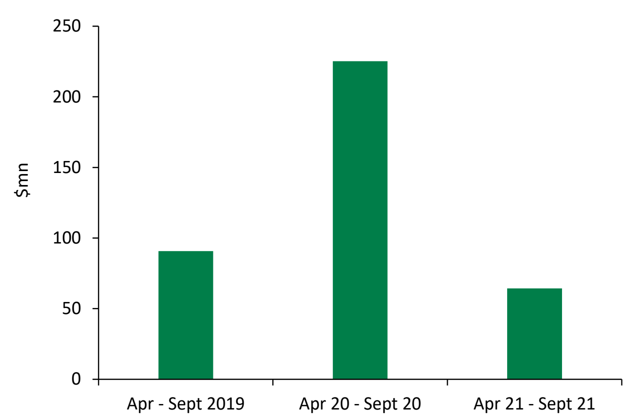
Central Government's financing requirements for the first half of FY 2021/2022 summed to $63.5mn. Financing came entirely from external sources, as net borrowings from domestic sources fell.

Chart 5.2: Central Government Development Expenditure



Source: MOF

Chart 5.3: Gross Financing Needs



Sources: MOF and CBB

Total Public Sector Debt

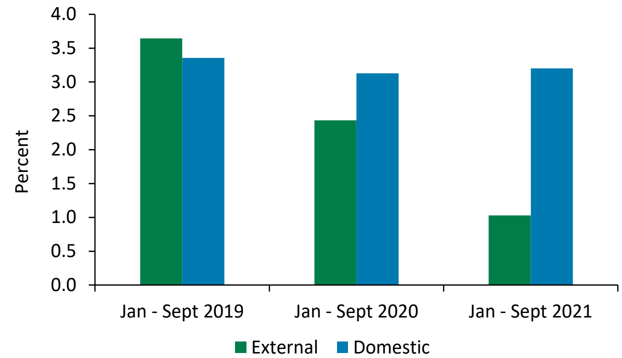
Driven by a modest increase in external debt, total public sector debt rose by 3.1% or $131.7mn between January and September to $4,351.8mn. Consequently, the share of external debt to total public sector debt rose 0.9 percentage points to 69.8%, and in turn, that of domestic debt dipped slightly to 30.2%. Notwithstanding, the projected expansion in GDP growth caused the public sector debt-to-GDP ratio to improve to 116.4% at September-end from 127.7% at the end of 2020.

Domestic Debt

Central Government's domestic debt edged up by 0.2% ($2.9mn) to $1,316.1mn, equivalent to 35.2% of GDP. This marginal uptick in net domestic borrowings stemmed from March's forty-million-dollar Treasury Note (T-note) issuance and Central Bank's acquisition of $24.0mn worth of T-bills from a regional organisation. These transactions were almost offset by the payoff of $61.8mn in overdraft advances with the Central Bank.

Central Government's interest expense increased by 4.7% over the review period to $30.9mn relative to the same period of 2020. Interest payments rose on account of the sizeable expansion in last year's debt stock to fund the Government's COVID-19 response. In addition, a 0.1 percentage point increase in the annual average effective interest rate to 3.2% contributed to the uptick in interest costs. The largest share of the Central Government's interest payments went to the Central Bank. The monetary authority was paid $15.4mn for overdraft advances and Treasury securities holdings combined. Interest payments to non-bank entities and domestic banks amounted to $9.4mn and $6.1mn, respectively.

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



In T-bill rollover auctions, the Central Bank and domestic banks increased their securities uptake by $22.2mn and $2.2mn, respectively, while non-bank entities' amount dipped by $0.4mn. On the secondary market for T-notes, the Central Bank acquired $9.9mn in March and $3.0mn in August, all of which were surrendered by non-bank entities.

Consequently, the Central Bank maintained its position as the largest domestic creditor to Central Government. During the nine months, its share of domestic debt expanded by 0.9 percentage points to 42.9%. In turn, the portion held by domestic banks edged up by 0.1 percentage point to 34.7%. Meanwhile, the amount owned by non-bank entities tumbled 1.0 percentage point to 22.5%.

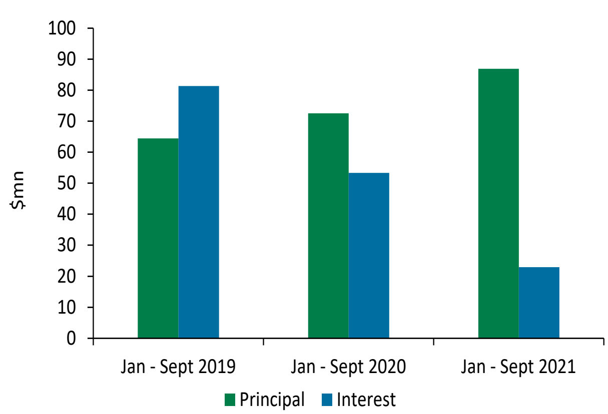
Public Sector External Debt

On 14 September 2021, the Government formally launched a cash tender offer to purchase, redeem, and cancel all of the outstanding 2034 US Dollar Bonds. Under this offer, bondholders would receive a cash payout equal to 55 cents on each dollar of the outstanding bond that would result in a significant haircut. On 24 September 2021, the Government announced that it received tender offers, representing 84.4% of the aggregate principal amount, exceeding the minimum criterion. Bonds that have not been tendered before the offer's expiration date will be redeemed and cancelled on the date of settlement. Belize planned to finance the 2034 US Dollar Bond purchase with financing provided by The Nature Conservancy's "Blue Bonds for Ocean Conservation" programme.

Over the first nine months of 2021, the public sector's external debt grew by 4.4% or $128.8mn to $3,035.7mn, 81.2% of GDP. The rise in net borrowings resulted as gross external loan disbursements of $216.8mn exceeded aggregate principal repayments of $86.9mn.

Disbursements to Central Government totalled $135.9mn. Roughly half of these

Chart 5.5: External Debt Service



inflows ($69.7mn) were sourced from multilateral ($66.5mn) and bilateral ($3.2mn) creditors to fund various capital investment projects, including:

- $15.9mn for the Caracol Road Upgrade Project,
- $11.6mn for the Coastal Highway Project,
- $9.3mn for the Strengthening of Tax Administration Project,
- $4.2mn for the Education Sector Reform Project, and
- $3.0mn for the Sarteneja Road Upgrade Project.

Concurrently, $66.2mn were received for designated COVID-19-related measures, including:

- $23.3mn from the International Bank for Reconstruction and Development (IBRD) to finance the Belize COVID-19 Cash Transfer Program and to support agricultural households,
- $16.1mn from the Caribbean Development Bank (CDB) to cover debt service payment deferrals,
- $13.5mn to capitalise February's interest payment that fell due on the 2034 US Dollar Bond, and
- $13.3mn from the Organisation of the Petroleum Exporting Countries to finance the Food Assistance Programme.

In the non-financial public sector, Belize Electricity Limited received $1.0mn to fund their ongoing Electricity System Upgrade and Expansion Project. The public financial sector received $79.6mn, comprising

$72.6mn from the IMF in a SDR general allocation and $7.0mn from CDB.

Principal payments amounted to $86.9mn. Central Government repaid $15.0mn to bilateral creditors, $41.8mn to multilateral lenders, and $24.0mn to the Caribbean Climate Change Centre upon redemption of their matured T-bills. Concurrently, the non-financial and financial public sectors repaid $4.9mn and $1.2mn, respectively, on their outstanding loans.

Interest and other payments totalled $24.1mn, down significantly from $54.7mn over the comparative period a year ago. The difference reflects the interest payment deferrals on the 2034 US Dollar Bond. This accommodation effectively reduced Central Government's interest pay outs to $20.0mn over the review period compared to $50.8mn in the previous nine-month period. When disaggregated, Central Government's interest payments to multilateral institutions amounted to $13.6mn; bilateral partners, $5.2mn; and commercial creditors, $1.2mn. Furthermore, the financial and non-financial public sectors paid $1.1mn and $3.0mn, respectively.

At September end, Central Government held 92.2% of the total public sector external debt stock. In comparison, the financial and non-financial public sectors had much smaller shares of 5.6% and 2.2%, respectively.

ANNEX I

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

Percent

	Mar 2021	June 2021	Sept 2021
Advanced Economies			
US	0.5	12.2	4.9
UK	-5.0	24.6	7.0
Euro area	-1.1	14.4	3.9
Japan	-1.8	7.3	1.2
Emerging Economies			
China	18.3	7.9	4.9
India	-7.4	20.1	8.4
Brazil	1.3	12.3	4.0
Mexico	-2.8	19.6	4.7
Caribbean Economies			
Jamaica	-6.7	14.2	5.8
Barbados(1)	-19.8	5.5	10.0

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

Table A.2: Factors Responsible for Money Supply Movements(1)

$mn

	Position as at Sept 2021	Changes During Dec 2020 to Sept 2021	Changes During Dec 2019 to Sept 2020
Net Foreign Assets	1,347.1	347.1	157.8
Central Bank	824.3	125.1	113.0
Domestic Bank	522.8	222.0	44.8
Net Domestic Credit	3,056.5	16.7	73.6
Central Government (Net)	706.1	-16.1	41.6
Other Public Sector	48.1	-10.8	-15.3
Private Sector	2,302.2	43.6	47.4
Central Bank Foreign Liabilities (Long-term)	122.5	71.0	0.9
Other Items (Net)	433.0	-21.5	-3.5
Money Supply (M2)	3,848.0	314.2	234.0

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

Table A.3: Money Supply

		Changes During	
	Position as at Sept 2021	**Dec 2020 to Sept 2021**	**Dec 2019 to Sept 2020**
Money Supply (M2)	3,848.0	314.2	234.0
Money Supply (M1)	2,161.1	195.6	217.8
Currency with the Public	420.3	-12.0	40.3
Demand Deposits	1,715.5	201.9	179.6
Savings/Chequing Deposits	25.3	5.8	-2.2
Quasi-Money	1,686.9	118.6	16.2
Savings Deposits	922.5	39.5	56.9
Time Deposits	764.5	79.1	-40.7

$mn

Table A.4: Net Foreign Assets of the Banking System

		Changes During	
	Position as at Sept 2021	**Dec 2020 to Sept 2021**	**Dec 2019 to Sept 2020**
Net Foreign Assets of Banking System	1,347.1	347.1	157.8
Net Foreign Assets of Central Bank	824.3	125.1	113.0
Central Bank Foreign Assets	825.7	123.5	112.7
Central Bank Foreign Liabilities (Demand)	1.4	-1.6	-0.3
Net Foreign Assets of Domestic Banks	522.8	222.0	44.8
Domestic Bank Foreign Assets	569.8	289.9	65.8
Domestic Bank Foreign Liabilities (Short-term)	47.0	67.9	21.0

$mn

Table A.5: Net Domestic Credit

$mn

	Position as at Sept 2021	Changes During Dec 2020 to Sept 2021	Changes During Dec 2019 to Sept 2020
Total Credit to Central Government	942.3	15.2	143.2
From Central Bank	576.2	13.3	93.8
Loans and Advances	0.0	-61.8	18.0
Government Securities[1]	576.2	75.1	75.8
From Domestic Banks	366.1	1.9	49.4
Loans and Advances	0.0	0.0	-3.8
Government Securities	366.1	1.9	53.2
Of which: Treasury Bills	207.9	2.0	40.8
Treasury Notes	158.2	-0.1	12.4
Other	0.0	0.0	0.0
Less Central Government Deposits	236.2	31.3	101.7
With Central Bank	169.6	10.6	87.2
With Domestic Banks	66.6	20.7	14.5
Net Credit to Central Government	706.1	-16.1	41.6
Credit to Other Public Sector	48.1	-10.8	-15.3
From Central Bank	0.0	0.0	0.0
From Domestic Banks	48.1	-10.8	-15.3
Of which: Local Government	9.0	1.3	4.2
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	21.3	-10.5	-13.4
Other Statutory Bodies	1.6	-0.2	-0.2
Securities	16.1	-1.5	-6.0
Plus Credit to the Private Sector	2,302.2	43.6	47.4
Loans and Advances	2,276.3	35.0	47.4
Securities	25.9	8.5	0.0
Net Domestic Credit of the Banking System[2]	3,056.5	16.7	73.6

(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.6: Sectoral Composition of Domestic Banks' Loans and Advances

$mn

	Position as at Sept 2021	Changes During Dec 2020 to Sept 2021	Changes During Dec 2019 to Sept 2020
PRIMARY SECTOR	246.2	4.9	9.7
Agriculture	215.6	5.1	11.5
Sugar	96.4	2.4	-1.4
Citrus	20.0	2.5	-3.2
Bananas	41.8	0.8	13.3
Other	57.4	-0.6	2.8
Marine Products	24.3	0.0	-0.6
Forestry	1.3	0.2	-0.1
Mining and Exploration	5.0	-0.4	-1.1
SECONDARY SECTOR	630.2	7.5	6.6
Manufacturing	71.2	-2.0	6.6
Building and Construction	520.7	22.3	13.0
Utilities	38.3	-12.8	-13.0
TERTIARY SECTOR	916.7	55.9	76.0
Transport[1]	48.6	3.1	-0.6
Tourism	282.3	42.1	57.7
Distribution	176.7	9.5	5.4
Real Estate	327.9	2.0	2.1
Professional Services[1]	67.3	-2.0	12.9
Other[2]	13.9	1.2	-1.5
PERSONAL LOANS	510.8	-42.5	-58.1
TOTAL	2,303.9	25.8	34.2

[1] A loan facility was reclassified from Transport to Professional Services.
[2] Includes Government Services, Financial Institutions, and Entertainment.

Table A.7: Sectoral Composition of Credit Unions' Loans and Advances

$mn

	Position as at Sept 2021	Changes During Dec 2020 to Sept 2021	Changes During Dec 2019 to Sept 2020
PRIMARY SECTOR	54.4	-0.6	-5.2
Agriculture	44.8	-0.5	-5.6
Sugar	6.4	0.2	0.1
Citrus	1.4	0.0	0.0
Bananas	0.8	-1.1	-1.9
Other	36.2	0.4	-3.8
Marine Products	9.2	0.1	-0.1
Forestry	0.1	0.0	0.0
Mining and Exploration	0.3	-0.2	0.5
SECONDARY SECTOR	216.8	0.2	-11.2
Manufacturing	19.8	4.2	0.2
Building and Construction	193.6	-4.1	-11.4
Utilities	3.4	0.1	0.0
TERTIARY SECTOR	110.7	-27.8	-4.8
Transport	1.3	-0.3	0.1
Tourism	0.8	-0.1	0.2
Distribution	21.2	-0.5	-1.2
Real Estate	72.7	-26.5	0.1
Residential	3.5	-0.1	-1.0
Commercial	38.6	-23.4	-1.9
Land Acquisition	30.5	-3.1	3.0
Other[1]	14.7	-0.4	-4.0
PERSONAL LOANS	231.9	4.8	-11.2
TOTAL	613.8	-23.6	-32.4

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

Table A.8: Domestic Banks' Liquidity Position and Cash Reserves

$mn

	Position as at Sept 2021	Changes During	
		Dec 2020 to Sept 2021	Dec 2019 to Sept 2020
Holdings of Approved Liquid Assets	1,384.7	311.9	141.3
Notes and Coins	97.9	-3.2	-5.4
Balances with Central Bank	597.9	49.9	39.4
Money at Call and Foreign Balances (due in 90 days)	443.4	261.9	65.0
Treasury Bills maturing in not more than 90 days	220.1	-9.7	26.8
Other Approved Assets	25.5	13.1	15.4
Required Liquid Assets	733.6	81.0	-18.5
Excess/(Deficiency) Liquid Assets	651.2	230.9	159.8
Daily Average Holdings of Cash Reserves	597.4	43.6	42.1
Required Cash Reserves	227.1	25.1	-45.0
Excess/(Deficiency) Cash Reserves	370.4	18.5	87.1
Actual Securities Balances	198.1	-7.9	40.9
Excess/(Deficiency) Securities	198.1	-7.9	40.9

Table A.9: Domestic Banks' Weighted Average Interest Rates

Percent

	Position as at Sept 2021	Changes During	
		Dec 2020 to Sept 2021	Dec 2019 to Sept 2020
Weighted Lending Rates			
Personal Loans	10.10	-0.18	-0.24
Commercial Loans	8.20	-0.16	0.07
Residential Construction	6.79	0.02	0.08
Other	6.58	0.03	-0.07
Weighted Average	8.38	-0.15	-0.05
Weighted Deposit Rates			
Demand	0.09	0.06	0.02
Savings/Chequing	0.48	-0.02	0.00
Savings	2.66	0.01	0.02
Time	2.30	0.05	0.33
Weighted Average	1.26	0.00	0.11
Weighted Average Spread	7.12	-0.15	-0.15

Table A.10: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

Percent

	Twelve Month Rolling Averages At			Changes	
	Sept 2021	Dec 2020	Sept 2020	Sept 2021 over Dec 2020	Sept 2021 over Sept 2020
Weighted Lending Rates					
Personal Loans	10.09	9.81	9.75	0.28	0.34
Commercial Loans	8.12	8.24	8.22	-0.12	-0.10
Residential Construction	8.03	7.68	7.85	0.35	0.18
Other	6.66	6.27	6.18	0.39	0.48
Weighted Average	8.54	8.50	8.51	0.04	0.03
Weighted Deposit Rates					
Demand	0.00	0.00	0.00	0.00	0.00
Savings/Chequing	0.47	0.74	0.49	-0.27	-0.02
Savings	2.44	2.64	2.66	-0.20	-0.22
Time	2.67	2.48	2.63	0.19	0.04
Weighted Average	2.16	2.01	2.04	0.15	0.12
Weighted Average Spread	6.38	6.49	6.46	-0.11	-0.08

Table A.11: Real Gross Domestic Product Growth Rates(1)

Year-on-Year Growth (%)

	Jan - Sept 2020(1) over Jan - Sept 2019R	Jan - Sept 2021(1) over Jan - Sept 2020P
Agriculture, Hunting, and Forestry	1.2	12.8
Fishing	4.9	6.3
Manufacturing (including Mining and Quarrying)	-20.4	3.6
Electricity and Water	0.8	-3.8
Construction	-13.4	19.2
Wholesale and Retail	-17.9	25.1
Hotels and Restaurants	-52.9	-1.4
Transport and Communication	-18.6	19.9
Other Private Services, excluding Financial Services Indirectly Measured	-11.9	-0.5
Producers of Government Services	-29.4	-20.8
All Industries at Basic Prices	-16.8	7.6
Taxes on Products	-17.5	22.1
GDP at Constant 2000 Prices	-16.9	9.5

Source: SIB

(1) *Constant 2000 prices*

R - Revised

P - Provisional

Table A.12: Gross Domestic Product by Activity at Constant 2000 Prices

$mn

	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020	Quarter 1 2021[R]	Quarter 2 2021[R]	Quarter 3 2021[P]
Agriculture, Hunting, and Forestry	74.7	68.9	52.3	78.2	88.0	54.7
Fishing	6.3	2.2	6.9	5.9	4.0	6.4
Manufacturing (including Mining and Quarrying)	47.4	38.2	29.2	41.9	45.1	32.0
Electricity and Water	23.0	30.6	41.5	29.3	25.7	36.5
Construction	22.4	19.6	21.5	24.0	27.6	24.2
Wholesale and Retail	141.2	101.0	119.4	138.9	155.8	157.9
Hotels and Restaurants	39.3	0.8	0.9	8.7	16.7	15.1
Transport and Communication	65.2	46.7	43.4	60.7	70.6	54.8
Other Private services excluding Financial Services Indirectly Measured	125.6	120.0	117.6	120.5	120.3	120.6
Producers of Government Services	70.9	62.3	49.7	52.2	50.6	41.9
All Industries at Basic Prices	615.9	490.4	482.4	560.3	604.4	544.1
Taxes on Products	97.5	69.4	81.6	93.5	104.2	105.6
GDP at Constant 2000 Prices	713.4	559.8	564.0	653.8	708.6	649.7

Source: SIB
[R] - Revised
[P] - Provisional

Table A.13: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - June 2019/2020	Dec - June 2020/2021
Deliveries of Sugarcane to BSI and Santander (long tons)	1,322,475	1,684,877
Sugar Processed by BSI and Santander (long tons)	127,466	158,982
Molasses processed by BSI and Santander (long tons)	53,310	59,383
Performance		
Factory Time Efficiency (%)	90.84	96.70
Cane Purity (%)	83.55	83.73
Cane/Sugar	10.30	10.60

Sources: BSI and Santander

Table A:14: Output of Citrus Products

	Oct - Sept 2019/2020	Oct - Sept 2020/2021
Deliveries (boxes)		
Orange	2,401,373	1,283,640
Grapefruit	161,770	117,508
Total	2,563,143	1,401,148
Concentrate Produced (ps)		
Orange	13,756,608	7,131,428
Grapefruit	652,357	396,443
Total	14,408,965	7,527,871
Not from Concentrate (ps)		
Orange	176,881	151,272
Grapefruit	12,550	34,782
Total	189,431	186,054
Pulp (pounds)		
Orange	1,527,248	1,050,248
Grapefruit	169,176	55,544
Total	1,696,424	1,105,792
Oil Produced (pounds)		
Orange	842,700	421,900
Grapefruit	29,100	13,400
Total	871,800	435,300

Source: CPBL

Table A.15: Banana Production

40 pound boxes

	Jan - Sept 2020	Jan - Sept 2021
Quarter 1	1,249,880	1,037,895
Quarter 2	1,221,819	1,518,523
Quarter 3	1,297,185	1,384,815
Total	3,768,884	3,941,233

Source: BGA

Table A.16: Bona Fide Tourist Arrivals[1]

	Jan - Sept 2020	Jan - Sept 2021
Stay-Over Arrivals		
Air	92,748	133,764
Land	18,471	8,641
Sea	5,573	2,062
Total	116,792	144,467
Cruise Ship	308,789	43,662

Sources: BTB, CBB, and Immigration Department
[1] Data for June 2021 excludes Big Creek Port.

Table A.17: Consumer Price Index Commodity Group

Major Commodity	Weights	Apr 2021	May 2021	June 2021	June 2021 over May 2021	YTD-2021 over YTD-2020
Food and Non-Alcoholic Beverages	195	104.1	105.0	104.7	-0.3	4.8
Alcoholic Beverages and Tobacco And Narcotics	17	101.2	101.3	101.3	0.0	0.1
Clothing and Footwear	83	100.9	101.0	101.0	0.0	-0.6
Housing, Water, Electricity, Gas, and Other Fuels	265	101.3	102.1	102.2	0.0	1.2
Furnishing, Household Equipment, and Routine Household Maintenance	69	100.1	101.2	101.2	0.0	-0.3
Health	41	102.1	102.6	102.6	0.0	1.5
Transport	136	114.5	114.7	115.5	0.7	6.9
Information And Communication	33	100.0	100.1	100.1	0.0	-3.9
Recreation and Culture	69	100.5	100.6	100.6	0.0	2.3
Education Services	32	99.9	99.9	99.9	0.0	0.4
Restaurants and Accommodation Services	7	102.5	104.2	104.2	0.0	-5.9
Insurance and Financial Services	21	100.0	100.0	100.0	0.0	0.1
Personal Care, Social Protection, and Miscellaneous Goods and Services	31	100.1	100.3	100.3	0.0	1.8
All Items	1,000	103.9	104.5	104.6	0.1	2.6

Source: SIB

Table A.18: Balance of Payments Summary

$mn

	Jan - Sept 2020R	Jan - Sept 2021P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-127.3	-146.3
I. Goods (Trade Balance)	-624.2	-716.3
Exports, Free on Board (FOB)	462.7	631.6
Domestic Exports	297.7	336.2
CFZ Gross sales	136.1	236.2
Re-exports	28.9	59.2
Imports, FOB	1090.4	1347.9
Domestic Imports	939.4	1164.6
CFZ Imports	150.9	183.3
II. Services	412.6	481.3
Transportation	-49.4	-144.3
Travel	391.8	500.0
Other Services	70.3	125.6
III. Primary Income	-98.2	-116.9
Compensation of Employees	-6.4	-6.6
Investment Income	-91.8	-110.2
IV. Secondary Income	182.5	205.5
Government	15.2	7.0
Private	167.3	198.5
B. Capital Account	19.0	20.3
C. Financial Account	-277.8	-206.1
D. NET ERRORS AND OMISSIONS	-56.3	45.5
E. RESERVE ASSETS	113.2	125.5

R - Revised
P - Provisional

Table A.19: Capital and Financial Accounts

		Jan - Sept 2020[R]	Jan - Sept 2021[P]
			$mn
A.	CAPITAL ACCOUNT	19.0	20.3
B.	FINANCIAL ACCOUNT (1+2+3+4)	-277.8	-206.1
	1. Direct Investment in Belize	-100.6	-190.7
	2. Portfolio Investment	-13.0	24.0
	Monetary Authorities	0.0	0.0
	General Government	-13.0	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	-164.2	-39.4
	Monetary Authorities	-5.2	1.6
	General Government	-211.4	-83.0
	Banks	44.8	222.0
	Other Sectors	7.6	-107.4
	Special Drawing Rights	**0.0**	**-72.6**
C.	NET ERRORS AND OMISSIONS	-56.3	45.5
D.	OVERALL BALANCE	113.2	125.5
E.	RESERVE ASSETS	113.2	125.5

R - Revised
P - Provisional

Table A.20: Balance of Payments

		$mn
	Jan - Sept 2020R	Jan - Sept 2021P
CURRENT ACCOUNT	-127.3	-146.3
Goods: Exports FOB	466.1	631.6
Goods: Imports FOB	1090.4	1347.9
Trade Balance	-624.2	-716.3
Services: Credit	667.3	828.5
Transportation	46.0	35.4
Travel	421.3	521.3
Other Goods and Services	148.9	205.7
Government Goods and Services	51.1	66.1
Services: Debit	254.7	347.1
Transportation	95.4	179.7
Travel	29.5	21.3
Other Goods and Services	109.7	117.3
Government Goods and Services	20.1	28.9
Balance on Goods and Services	-211.6	-234.9
Primary Income: Credit	11.6	9.4
Compensation of Employees	3.5	3.5
Investment Income	8.0	5.9
Primary Income: Debit	109.7	126.3
Compensation of Employees	9.9	10.2
Investment Income	99.8	116.1
Balance on Goods, Services and Primary Income	-309.8	-351.8
Secondary Income: Credit	245.1	269.7
Secondary Income: Debit	62.6	64.2
CAPITAL ACCOUNT	19.0	20.3
Capital Account: Credit	19.0	20.3
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-277.8	-206.1
Direct Investment Abroad	4.9	1.1
Direct Investment in Reporting Economy	105.4	191.8
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	13.0	-24.0
Financial Derivatives	0.0	0.0
Other Investment Assets	65.5	246.0
Other Investment Liabilities	229.7	285.4
NET ERRORS AND OMISSIONS	-56.3	45.5
OVERALL BALANCE	113.2	125.5
RESERVE ASSETS	113.2	125.5

Source: CBB
R - Revised
P - Provisional

Table A.21: Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)

$'000

SITC Section	Jan - Sept 2020	Jan - Sept 2021	$ Change	% Change
0. Food and Live Animals	169,794	182,715	12,921	7.6
1. Beverages and Tobacco	31,843	53,708	21,865	68.7
2. Crude Materials	15,395	25,564	10,169	66.1
3. Mineral Fuels and Lubricants	150,638	218,263	67,625	44.9
of which Electricity	28,711	35,544	6,833	23.8
4. Oils and Fats	17,451	18,439	988	5.7
5. Chemical Products	130,251	160,396	30,145	23.1
6. Manufactured Goods	167,910	239,336	71,426	42.5
7. Machinery and Transport Equipment	238,035	291,410	53,375	22.4
8. Other Manufactures	86,528	111,912	25,384	29.3
9. Commodities not elsewhere specified	0	251	251	0.0
10. Designated Processing Areas*	23,824	25,806	1,982	8.3
11. Commercial Free Zone	164,420	208,302	43,882	26.7
12. Personal Goods	1,141	2,895	1,754	153.7
Total	1,197,231	1,538,997	341,766	28.5

Sources: CBB and SIB

* Formerly Export Processing Zones

Table A.22: Exports of Sugar and Molasses

	Jan - Sept 2020		Jan - Sept 2021	
	Volume (long tons)	Value ($'000)	Volume (long tons)	Value ($'000)
Sugar	115,586	101,450	137,332	113,776
Europe	90,808	75,781	111,428	83,761
US	16,240	16,829	14,616	17,351
CARICOM	8,267	8,536	11,265	12,609
Other	270	304	22	56
Molasses	43,839	12,371	55,394	14,736

Sources: BSI and Santander Group

Table A.23: Citrus Product Exports

	Jan - Sept 2020		Jan - Sept 2021	
	Pound Solid ('000)	Value ($'000)	Pound Solid ('000)	Value ($'000)
Citrus Concentrates				
US				
Orange	4,006.5	7,681	2,224.2	5,598
Grapefruit	31.5	208	62.5	413
CARICOM				
Orange	4,540.8	15,527	4,462.7	15,489
Grapefruit	230.6	1,201	204.8	1,060
Europe				
Orange	1,151.8	2,864	1,353.8	3,359
Grapefruit	229.8	1,360	49.0	269
Other				
Orange	102.3	253	10.7	43
Grapefruit	0.0	0	0.0	0
Sub-Total(1)	10,293.4	29,094	8,367.7	26,230
Orange	9,801.5	26,325	8,051.4	24,489
Grapefruit	492.0	2,769	316.2	1,741
Not-From-Concentrate				
Sub-Total	37.7	200	37.8	197
Orange	30.0	144	30.2	143
Grapefruit	7.7	56	7.6	54
Total Citrus Juices	10,331.2	29,295	8,405.5	26,427
Pulp (pounds '000)				
Total(1)	965.6	188	1,771.2	241
Orange	806.9	60	1,627.4	125
Grapefruit	158.6	129	143.8	115

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

Table A.24: Marine Product Exports

	Jan - Sept 2020		Jan - Sept 2021	
	Volume ('000 pounds)	Value ($'000)	Volume ('000 pounds)	Value ($'000)
Lobster	770	21,442	705	25,398
Shrimp	455	2,618	275	1,267
Conch	231	3,036	453	6,641
Other Fish	0	0	1	14
Total	1,456	27,096	1,434	33,319

Source: SIB

Table A.25: Banana Exports

	Jan - Sept 2020	Jan - Sept 2021
Volume (metric tons)	68,378	71,505
Value ($'000)	67,896	70,437

Source: BGA

Table A.26: Petroleum Exports

	Jan - Sept 2020	Jan - Sept 2021
Volume (barrels)	74,920	5,719
Value ($'000)	4,833	578

Source: SIB

Table A.27: Long-Term Private Sector External Debt by Economic Sector[1,2]

Economic Sectors	DOD as at 31/12/2020	Transactions (Jan - Sept 2021) Disbursements	Principal Payments	Interest Payments	DOD as at 30/09/2021
Agriculture	30,068	0	4	0	30,064
Arts, Entertainment, and Recreation	0	0	0	0	0
Construction	25,600	0	4,180	1,594	21,420
Economic Diversification	2	0	0	0	2
Education	0	0	0	0	0
Electricity and Gas	15,119	0	196	1,009	14,922
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	43,025	0	0	0	43,025
Transportation	38,119	0	0	593	38,119
Wholesale and Retail Trade	1,320	0	0	0	1,320
Other	0	0	0	0	0
Total	162,719	0	4,381	3,196	158,338

(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.28: Extended Balance of Payment Services Classifications (EBOPS)

$mn

		Jan - Sept 2020	Jan - Sept 2021
Total Services	Net	412.6	481.3
	Credits	667.3	828.5
	Debits	254.7	347.1
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-49.4	-144.3
	Credits	46.0	35.4
	Debits	95.4	179.7
Travel	Net	391.8	500.0
	Credits	421.3	521.3
	Debits	29.5	21.3
Telecommunications, Computer, and Information Services	Net	52.7	83.4
	Credits	64.2	100.0
	Debits	11.6	16.6
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-35.1	-34.8
	Credits	0.7	0.8
	Debits	35.8	35.7
Financial Services	Net	-2.1	1.3
	Credits	5.1	5.3
	Debits	7.2	3.9
Charges for the use of Intellectual Property, n.i.e.	Net	-7.7	-10.8
	Credits	0.0	0.0
	Debits	7.7	10.8
Other Business Services	Net	27.8	45.1
	Credits	74.1	94.7
	Debits	46.3	49.6
Personal, Cultural, and Recreational Services	Net	3.8	4.3
	Credits	4.8	5.0
	Debits	1.0	0.7
Government Services, n.i.e.	Net	31.0	37.2
	Credits	51.1	66.1
	Debits	20.1	28.9

Table A.29: International Investment Position

$mn

	Position as at Dec 2020	Financial Account Transactions Jan - Sept 2021	Position as at Sept 2021
Net position	-6,885.5	-206.1	-7,091.6
A. Assets	1,146.9	439.1	1,586.0
1. Direct Investment Abroad	146.3	1.1	147.4
2. Portfolio Investment	43.8	0.3	44.1
2.1 Equity Securities	34.7	1.1	35.8
2.2 Debt Securities	9.1	-0.8	8.3
3. Other Investment	258.9	312.2	571.1
3.1 Trade Credits	-0.7	0.0	-0.7
3.2 Loans	3.5	-0.3	3.2
3.3 Currency and Deposits	256.1	312.5	568.6
3.4 Other Assets	0.0	0.0	0.0
4 . Reserve Assets	697.9	125.5	823.4
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	58.3	71.2	129.5
4.3 Reserve Position in the Fund	17.9	-0.4	17.5
4.4 Foreign Exchange	601.1	55.1	656.2
4.5 Other Claims	20.6	-0.3	20.3
B. Liabilities	8,032.4	645.1	8,677.6
1. Direct Investment	4,815.0	191.8	5,006.8
2. Portfolio Investment	1,116.6	-10.8	1,105.8
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,116.6	-10.8	1,105.8
3. Other Investment	2,100.8	464.2	2,565.0
3.1 Trade Credits	20.6	14.4	35.0
3.2 Loans	2,001.3	376.6	2,377.9
3.3 Currency and Deposits	77.7	31.9	109.5
3.4 Other Liabilities	1.2	41.3	42.5

Table A.30: Central Government's Revenue and Expenditure

$mn

	Jan 2020 to Sept 2020	Jan 2021 to Sept 2021	Apr 2020 to Sept 2020	Apr 2021 to Sept 2021
Total Revenue and Grants	742.7	734.3	451.5	512.4
Of which: Current Revenue	710.0	719.9	423.1	502.7
Of which: Grants	20.7	12.2	17.8	8.1
Total Expenditure	1011.2	843.2	635.5	539.7
Current Expenditure	765.2	694.6	467.9	449.9
Capital Expenditure	246.1	148.6	167.5	89.8
Current Balance	-55.2	25.4	-44.8	52.8
Primary Balance	-193.3	-61.3	-151.6	5.7
Overall Balance	-268.5	-108.9	-184.0	-27.4

Source: MOF

Table A.31: Summary of Central Government's Revenue

$mn

	Jan 2020 to Sept 2020	Jan 2021 to Sept 2021	Apr 2020 to Sept 2020	Apr 2021 to Sept 2021
Current Revenue	710.0	719.9	423.1	502.7
Tax Revenue	647.7	669.7	384.3	467.4
Income and Profits	185.6	141.9	111.9	92.4
Taxes on Property	5.2	7.3	2.7	4.9
Taxes on Goods and Services	362.0	399.9	212.5	284.6
International Trade and Transactions	94.9	120.6	57.1	85.5
Non-Tax Revenue	62.3	50.2	38.9	35.3
Property Income	7.8	7.1	6.0	5.1
Licenses	14.5	11.6	6.0	7.4
Other	40.0	31.4	26.9	22.9
Capital Revenue	12.1	2.2	10.6	1.6
Grants	20.7	12.2	17.8	8.1

Source: MOF

Table A.32: Summary of Central Government's Expenditure

$mn

	Jan 2020 to Sept 2020	Jan 2021 to Sept 2021	Apr 2020 to Sept 2020	Apr 2021 to Sept 2021
Current Expenditure	765.2	694.6	467.9	449.9
Wages and Salaries	346.0	319.9	229.6	208.3
Pensions	66.4	71.1	44.2	48.2
Goods and Services	157.0	143.8	87.1	88.8
Interest Payments	75.2	47.6	32.4	33.1
of which: External	42.5	14.0	9.1	8.7
Subsidies and Current Transfers	120.5	112.1	74.7	71.6
Capital Expenditure	246.1	148.6	167.5	89.8
Capital II	123.4	82.3	97.3	46.4
Capital III	119.1	65.7	66.9	43.0
Net Lending	3.6	0.6	3.4	0.4

Source: MOF

Table A.33: Central Government's Revenue and Expenditure

$'000

	Approved Budget 2021/2022	Jan 2020 to Sept 2020	Jan 2021 to Sept 2021	Apr 2020 to Sept 2020	Apr 2021 to Sept 2021[P]	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,038,188	742,710	734,267	451,506	512,391	49.4%
1). Current Revenue	965,460	709,970	719,928	423,109	502,695	52.1%
Tax Revenue	884,421	647,716	669,750	384,252	467,387	52.8%
Income and Profits	247,498	185,626	141,884	111,949	92,365	37.3%
Taxes on Property	6,485	5,208	7,297	2,708	4,946	76.3%
Taxes on Goods and Services	492,777	362,001	399,935	212,505	284,583	57.8%
International Trade and Transactions	137,661	94,880	120,635	57,090	85,493	62.1%
Non-Tax Revenue	81,039	62,254	50,178	38,856	35,308	43.6%
Property Income	4,945	7,834	7,125	5,967	5,054	102.2%
Licences	13,071	14,456	11,637	5,957	7,373	56.4%
Other	63,023	39,963	31,416	26,932	22,881	36.3%
2). Capital Revenue	5,366	12,062	2,181	10,566	1,590	29.6%
3). Grants	67,361	20,678	12,158	17,832	8,106	12.0%
TOTAL EXPENDITURE (1+2)	1,204,506	1,011,244	843,198	635,492	539,743	44.8%
1). Current Expenditure	905,943	765,174	694,569	467,949	449,927	49.7%
Wages and Salaries	413,651	346,002	319,932	229,561	208,262	50.3%
Pensions	91,018	66,410	71,095	44,154	48,202	53.0%
Goods and Services	175,558	157,048	143,811	87,132	88,825	50.6%
Interest Payments on Public Debt	68,345	75,206	47,583	32,362	33,074	48.4%
Subsidies and Current Transfers	157,371	120,509	112,148	74,740	71,564	45.5%
2). Capital Expenditure	298,562	246,070	148,629	167,543	89,816	30.1%
Capital II (Local Sources)	110,053	123,420	82,318	97,306	46,412	42.2%
Capital III (Foreign Sources)	186,210	119,052	65,701	66,853	42,999	23.1%
Capital Transfer and Net Lending	2,299	3,598	609	3,384	405	17.6%
CURRENT BALANCE	59,517	-55,204	25,359	-44,841	52,768	88.7%
PRIMARY BALANCE	-97,973	-193,328	-61,348	-151,624	5,722	-5.8%
OVERALL BALANCE	-166,318	-268,534	-108,931	-183,986	-27,352	16.4%
Primary Balance less grants	-165,335	-214,007	-73,506	-169,455	-2,384	1.4%
Overall Balance less grants	-233,679	-289,212	-121,089	-201,818	-35,458	15.2%
FINANCING	166,318	268,534	108,931	183,986	27,352	
Domestic Financing		73,770	-52,406	26,169	-109,731	
Central Bank		6,648	2,595	-62,309	-74,287	
Net Borrowing		93,885	13,266	33,893	-55,311	
Change in Deposits		-87,237	-10,670	-96,203	-18,975	
Commercial Banks		38,701	-18,746	57,066	-15,527	
Net Borrowing		53,195	2,005	65,677	-3,933	
Change in Deposits		-14,494	-20,751	-8,611	-11,594	
International Banks		0	0	0	0	
Other Domestic Financing		28,421	-36,256	31,412	-19,918	
Financing Abroad		178,943	64,446	149,131	49,654	
Disbursements		238,091	121,217	190,432	86,703	
Amortisation		-59,148	-56,772	-41,301	-37,049	
Other		15,820	96,891	8,687	87,430	

Sources: CBB and MOF
[P] - Provisional

Table A.34: Central Government's Domestic Debt

$mn

	Dec 2020	Sept 2021	Changes in Stock
Overdraft	61.8	0.0	-61.8
Loans	92.6	93.3	0.8
Treasury Bills	221.0	245.0	24.0
Treasury Notes	937.8	977.8	40.0
Total	1,313.2	1,316.1	2.9

Table A.35: Central Government's Domestic Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/20[R]	*TRANSACTIONS THROUGH SEPTEMBER 2021*				Disbursed Outstanding Debt 30/09/21[P]
		Disbursement/ New Issue of Securities	*Amortization/ Reduction in Securities*	*Interest*	*Net Change in Overdraft/ Securities*	
Overdraft/Loans	61,844	0	0	2,012	-61,844	0
Central Bank	61,844	0	0	2,012	-61,844	0
Domestic Banks	0	0	0	0	0	0
Treasury Bills	221,000	0	0	2,364	24,000	245,000
Central Bank	9,436	0	0	173	22,220	31,656
Domestic Banks	205,726	0	0	2,134	2,164	207,890
Other	5,838	0	0	57	-384	5,454
Treasury Notes	937,800	40,000	0	26,543	0	977,800
Central Bank	491,471	40,000	0	13,243	12,882	544,353
Domestic Banks	158,435	0	0	3,931	0	158,435
Other	287,894	0	0	9,369	-12,882	275,012
Belize Bank Limited[(1)]	91,000	0	0	0	0	91,000
Belize Social Security Board[(2)]	158	0	44	9	0	114
Fort Street Tourism Village	0	957	64	0	0	893
Debt for Nature Swap	1,405	0	99	20	0	1,306
Total	1,313,207	40,957	207	30,948	-37,844	1,316,113

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

Table A.36: Public Sector External Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/20[R]	*TRANSACTIONS THROUGH SEPTEMBER 2021* *Disbursements*	*Principal Payments*	*Interest & Other Payments*	*Parity Change*	Disbursed Outstanding Debt 30/09/21[P]
CENTRAL GOVERNMENT	2,743,273	135,886	80,794	20,020	655	2,799,020
Government of Venezuela[(1)]	429,692	0	0	0	0	429,692
Kuwait Fund for Arab Economic Development	34,482	185	2,355	805	362	32,675
Mega International Commercial Bank Company Ltd.	47,143	0	1,429	1,313	0	45,714
Republic of China/Taiwan	285,584	3,000	11,236	3,090	0	277,348
Caribbean Development Bank	282,189	35,672	18,076	6,564	0	299,784
CARICOM Development Fund	3,000	0	0	67	0	3,000
European Economic Community	4,311	0	357	25	335	4,289
Inter-American Development Bank	289,002	28,825	14,201	2,510	0	303,627
International Fund for Agriculture Development	6,287	0	163	39	-43	6,081
International Bank for Reconstruction and Development	56,090	23,332	1,958	576	0	77,464
OPEC Fund for International Development	131,501	31,389	5,954	3,172	0	156,936
Central American Bank for Economic Integration	23,073	0	1,065	618	0	22,008
Bank of New York[(2)]	1,092,319	13,483	0	0	0	1,105,802
Caribbean Community Climate Change Centre	24,000	0	24,000	57	0	0
US$30mn Fixed-Rate Notes	34,600	0	0	1,184	0	34,600
NON-FINANCIAL PUBLIC SECTOR	71,143	1,019	4,904	2,977	0	67,257
Caribbean Development Bank	36,143	1,019	2,959	1,025	0	34,202
International Cooperation and Development Fund	35,000	0	1,944	1,952	0	33,056
FINANCIAL PUBLIC SECTOR	92,477	79,612	1,176	1,075	-1,493	169,420
Caribbean Development Bank	38,894	7,012	1,176	1,040	0	44,731
European Investment Bank	2,038	0	0	35	122	2,160
International Monetary Fund	51,545	72,600	0	0	-1,615	122,530
GRAND TOTAL	2,906,893	216,812	86,874	24,072	-839	3,035,697

[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 September 2021 amounted to principal of $69.8mn and interest of $15.3mn.

(2) International Monetary Fund (IMF) Special Drawing Rights (SDR) allocations is included as part of financial public sector of external debt obligation. An increase in SDR allocations from the IMF $72.6mn, was assigned on 23 August 2021.