



CENTRAL BANK
of BELIZE

MEDIA RELEASE

FOR IMMEDIATE RELEASE

Establishment of a Working Group to Provide Emergency Financial Assistance to Farmers Impacted by Drought

Belize City, 11 September 2019: In light of the current drought conditions affecting the country, the Central Bank of Belize (Central Bank) and the Government of Belize, through the Ministry of Agriculture (MoA), recently convened a Working Group on 3 September 2019 aimed at alleviating the plight of impacted farmers. The Working Group comprises senior staff from MoA, Central Bank, and representatives of the Bankers Association, the Belize Credit Union League, the Development Finance Corporation, and the Social Security Board, who represent the views of their respective organizations. This will ensure that there is appropriate and consistent empowered representation in the Working Group to facilitate rapid decision making and action.

Given the importance of the agricultural sector to Belize, the Central Bank recognized the urgent need to assist in lessening the financial burden being felt by the country's farmers. To inform the development of appropriate actions, the Central Bank assessed the levels of non-performing loans (NPLs) because of the drought. A preliminary assessment estimates NPLs at BZ\$277m. To assure a consolidated approach to financial resiliency, the Central Bank further solicited the financial sector's insights on the practical treatment of current and potential NPLs. The

Working Group defined measures to reclassify and restructure loan exposures, and to provide new credit on concessionary terms.

The President of the Banker's Association, Mrs. Sandra Bedran, in a release confirmed, *"The commercial banks, in view of the severity of the current drought conditions affecting many of our customers in the agricultural sector, are fully engaged with the Central Bank and the Ministry of Agriculture in order to provide urgent financial relief and solutions to farmers and ranchers. This process, we expect, will continue and will provide a pathway for continued recovery and growth to this critical sub sector of the economy."*

The Working Group stands committed to alleviating the financial impact being experienced by the country's farmers at this time and to recommend long term solutions to mitigate future risks and losses.

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