



GOVERNMENT OF BELIZE

Ministry of Finance

Belmopan, Belize

Please Quote:

Press Release

For Immediate Release

June 26, 2020

Belize Plans Economic Recovery Program

Belmopan, June 26, 2020: The Prime Minister of Belize today submitted to the National Assembly a report summarizing the reasons that Belize did not achieve a 2.0% GDP surplus in the fiscal year 2019/2020. This report is contemplated by the terms of Belize's U.S. Dollar Bonds due 2034 (the "Bonds"). A copy of that report has been posted to the website of the Central Bank of Belize.

In connection with the Prime Minister's tabling of this report and the Government of Belize's prior announcement that it intends to seek consent of holders of the Bonds to capitalize interest payments through February 2021 (the "Proposed Capitalization"), the Government of Belize has been asked whether, as a result of the Covid-19 Crisis, it is currently pursuing agreement on any formal program with the International Monetary Fund ("IMF"). The Prime Minister has stated categorically that his administration will not pursue an IMF program. The Government of Belize is implementing a domestic relief, consolidation and revival plan, anticipating that in the coming months, the shape of Belize's economic recovery will crystallize. Given the current stage of Belize's political cycle, the Government of Belize believes that the decision whether to negotiate any long-term IFI support programs, including with the IMF, and the potential restructuring of the Bonds that a broader revitalization plan would entail, is one that would have to be made no earlier than the end of 2020.

The Prime Minister has also clarified that all of Belize's available financial resources will be needed to mitigate the effects of the COVID-19 crisis this year. Accordingly, the Government of Belize will not have the money to make the August 2020 coupon payment on the country's bonds maturing in 2034. The alternatives are therefore a consensual deferral of that payment (the path that the Government is currently pursuing with bondholders) or allowing the bond to go into arrears until the crisis abates.

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