



CENTRAL BANK OF BELIZE



# MONTHLY ECONOMIC REPORT

DECEMBER 2011

# Summary of Economic Indicators

Chart I: Quarterly GDP

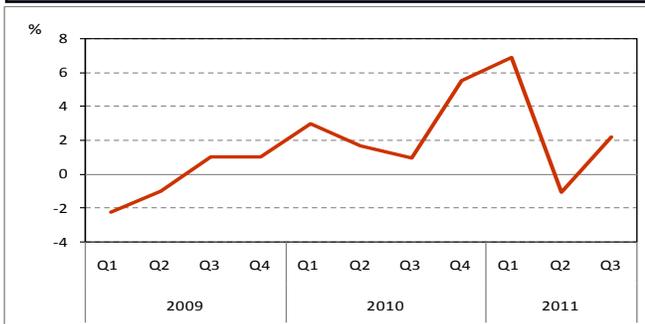


Chart II: Consumer Price Index

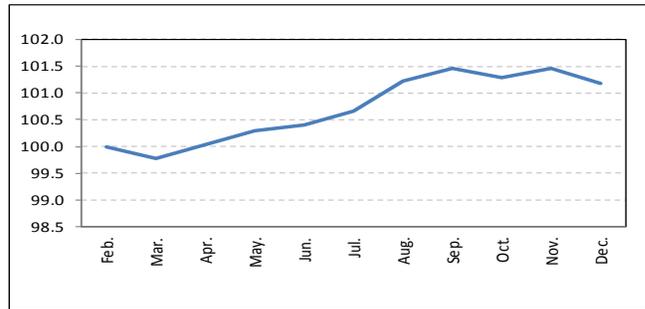


Chart III: BOP Current Account & Financial Account

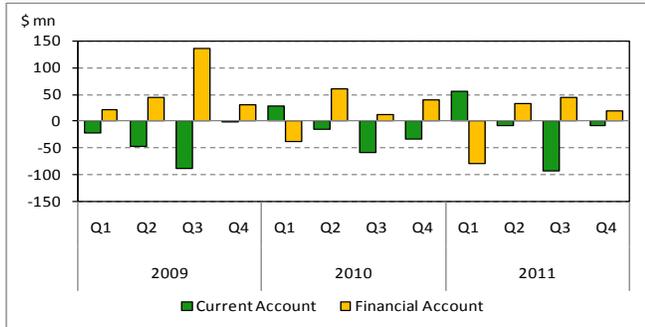


Chart IV: Total Foreign Assets

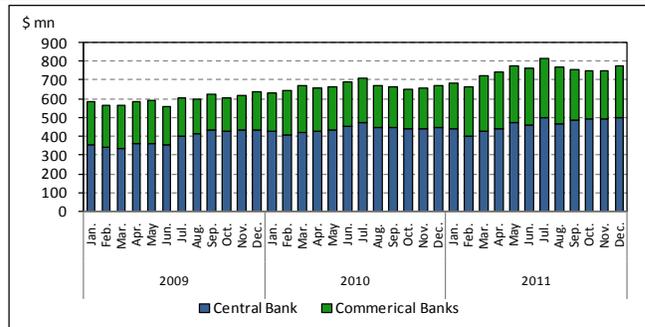


Chart V: Commerical Banks - Deposits and Loans & Advances

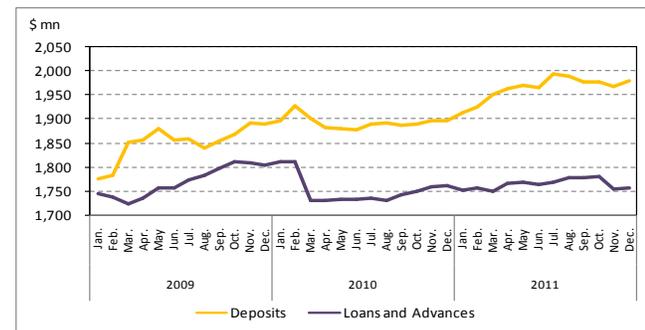


Chart VI: Excess Cash Balances

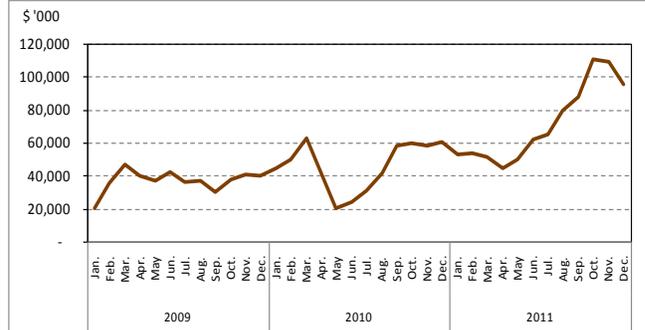


Chart VII: Central Government's Operations (Disbursed Outstanding Balance)

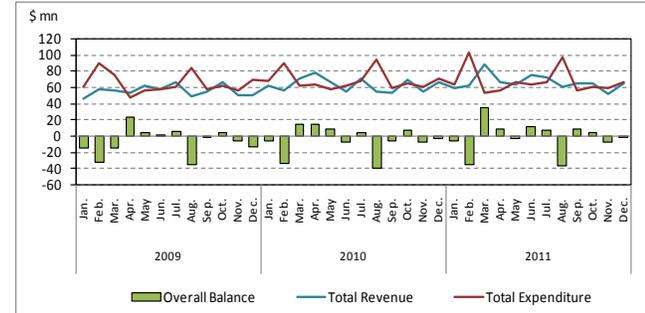
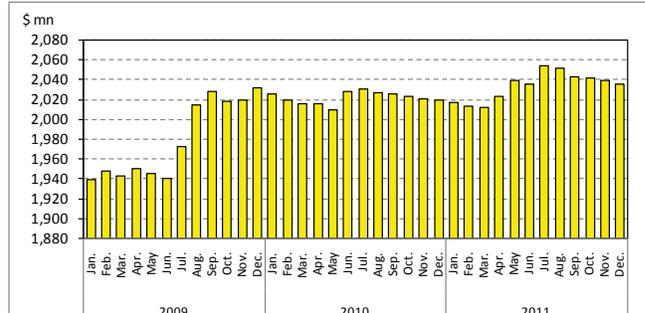


Chart VIII: Public Sector External Debt (Disbursed Outstanding Balance)

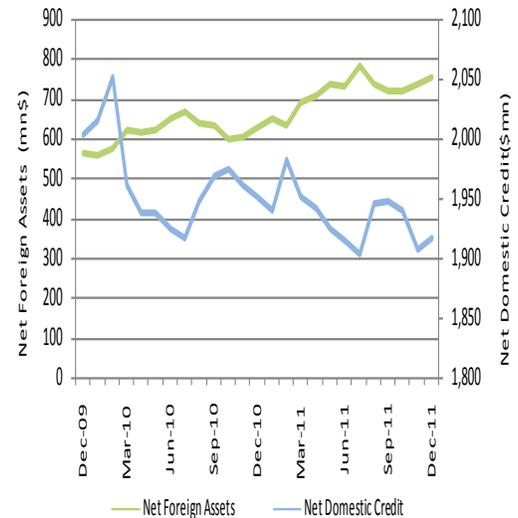


## Monetary & Financial Sector Developments

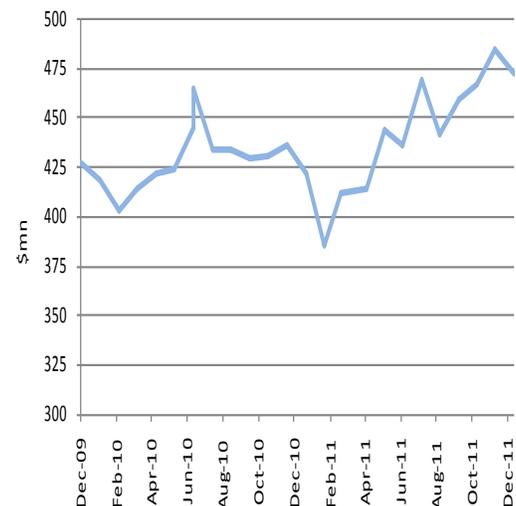
Contrasting with the previous year's marginal decline, broad money grew by 5.6% over the year, fueled by a 19.9% expansion in the banking system's net foreign assets. Net foreign exchange inflows in November and December added \$32.4mn, thus accounting for one quarter of the annual increase. Bouyant inflows from the commercial free zone (CFZ), tourism and exports boosted the net position of commercial banks by \$71.9mn as their foreign asset holdings rose by \$48.0mn, while foreign liabilities were lowered by \$23.9mn. The Central Bank recorded a \$51.5mn increase as foreign exchange purchases of \$285.4mn outpaced sales of \$233.9mn. Almost one-third of the foreign exchange receipts was from taxes and royalties on oil production, while loan disbursements, receipts from sugar exports and foreign exchange purchases from commercial banks accounted for 20.9%, 16.4% and 12.3%, respectively. External debt payments on behalf of Central Government accounted for \$174.7mn (75.0%) of the Central Bank's foreign exchange outflows with smaller amounts being allocated to statutory bodies and commercial banks. Over the calendar year, the gross official international reserves increased by \$36.2mn to \$472.2mn, the equivalent of 4.4 months of merchandise imports.

While the money supply was being boosted by foreign exchange inflows, this was partly offset by a \$29.5mn contraction in net domestic credit that included decreases of \$23.5mn in net financing to Central Government as well as contractions in credit to the private sector and statutory bodies of \$5.2mn and \$0.8mn, respectively. Despite higher debt servicing costs, Central Government's net borrowing fell as heightened receipts from oil production, loan disbursements and proceeds from the sale of BTL shares boosted deposit holdings.

**Chart 1.1: Net Foreign Assets & Net Domestic Credit**



**Chart 1.2: Gross International Reserves**



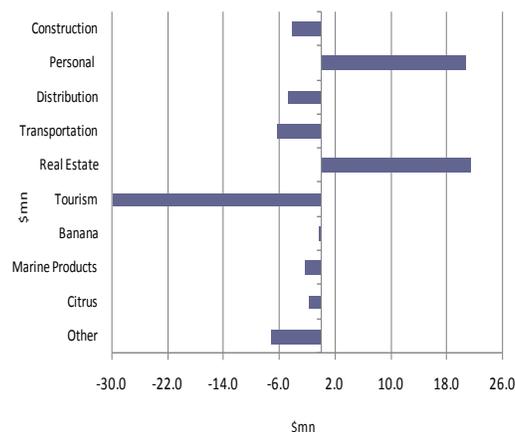
The decline in private sector credit was largely influenced by a \$24.7mn contraction in November, as loan write-offs totalling \$35.0mn for entities involved in tourism, construction, agriculture and manufacturing wiped out the modest credit growth that had occurred since the second quarter. Credit declined across all economic sectors except the personal loans category, which rose by \$20.6mn, almost twice the growth recorded over the same period of 2010. The secondary sector recorded the largest decline of \$12.4mn, as reductions for manufacturing and construction activities outpaced disbursements to utility providers. In the tertiary sector, repayments by transporters, merchandise distributors and loan write offs for tourism-related projects outweighed advances for real estate transactions.

Loans and advances from the five largest credit unions increased by 6.0% (\$20.8mn) during the year, compared to growth of \$21.5mn in 2010. Most of these funds were used to finance home improvements and personal consumption which offset net repayments on mortgages.

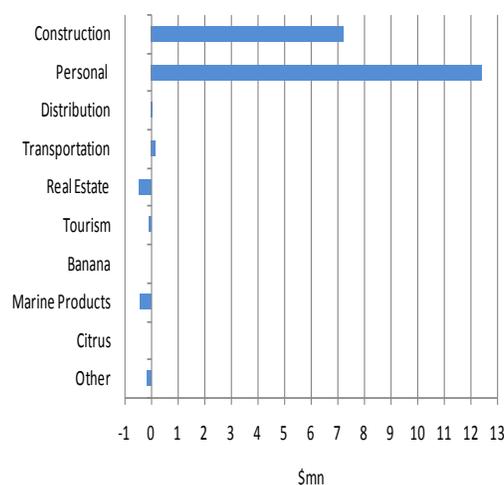
High levels of excess liquidity persisted in the banking system throughout the year, reflecting above average foreign exchange inflows and subdued credit demand. Excess statutory liquidity rose by 38.1% to \$221.1mn at the end of December, while cash balances stood at \$270.4mn, which was 54.8% above the required level.

In response to the sustained increase in the commercial banks' demand for government securities, the Central Bank reduced their required holdings to zero on October 1. This followed the gradual lowering of this requirement from 6.5% to 5.0% in January and from 5.0% to 3.0% in April. Given the dearth of investment opportunities, commercial banks maintained their average percentage share of the available Treasury bills at approximately

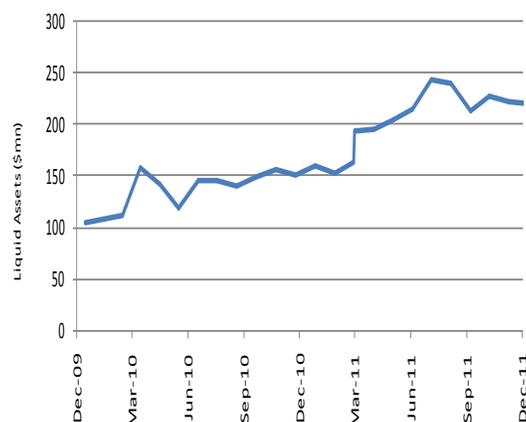
**Chart 1.3: Changes in Commercial Banks' Loans & Advances**  
December 2010 - December 2011



**Chart 1.4: Changes in Credit Unions' Loans & Advances**  
December 2010 - December 2011



**Chart 1.5: Excess Statutory Liquidity**

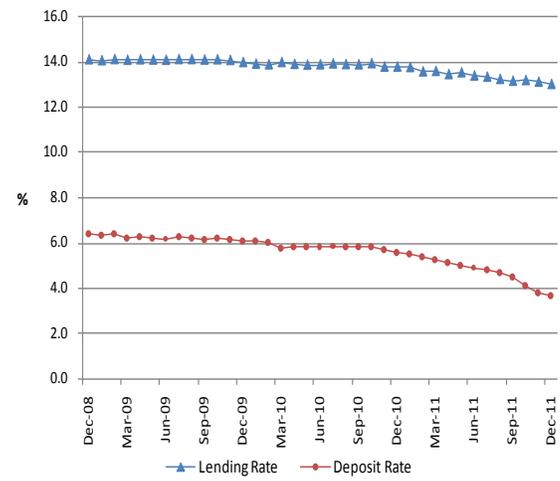


83.7% over the twelve month period. At the end of December, they were holding \$151.5mn worth, slightly higher than the amount held at the end of 2010.

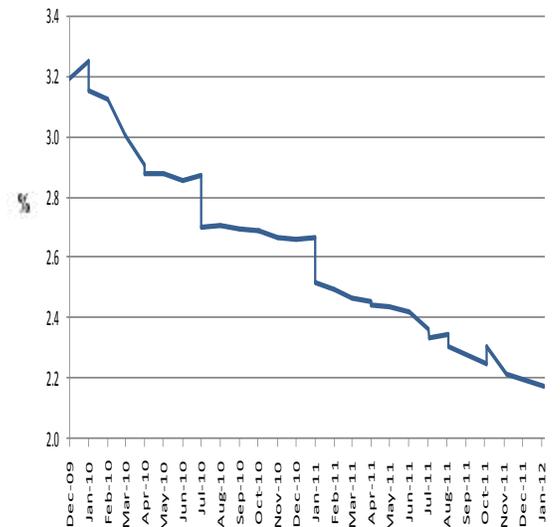
Responding to the Central Bank's policy initiatives, the commercial banks' weighted average lending rate tumbled by 76 basis points to 13.02% with declines in all loan categories. The largest was in residential mortgages, which fell by 128 basis points to 11.88%. The interest rate on personal loans also registered a reduction of 126 basis points. Meanwhile, the combination of high liquidity and the Central Bank's directives to lower the minimum interest rate on savings deposits from 3.5% to 2.5% underpinned a drop of 196 basis points in the weighted average deposit rate to 3.65%. Interest rates on time and savings deposits rates fell by 205 basis points to 5.37% and 199 basis points to 2.98%, respectively, and this contributed to a widening of the weighted average interest rate spread by 120 basis points to 9.37% at the end of December.

Over the year, high levels of excess liquidity provided the backdrop and impetus for the downward drift in the Treasury bill yield. The last issue for 2011 at a value of \$42.4mn was rolled over on November 30 with a yield of 2.21263%, which was well below the 2.66172% yield recorded for the last issue of 2010. In January 2012, the first roll-over of Treasury bills valued at \$68.2mn occurred at an average yield of 2.17702%, continuing the downward drift of 2011.

**Chart 1.6: Commercial Banks' Weighted Average Lending and Deposit Interest Rates**



**Chart 1.7: Treasury Bill Average Yield**



## Real Sector Developments

In 2011, sugar production, citrus deliveries and citrus juices recorded double digit increases, while declines were modest for petroleum and banana and significant for sugarcane deliveries and molasses.

Notwithstanding lower earnings from banana and molasses, revenues from the country's main domestic exports were pumped up by 23.5% to \$537.5mn due to sharp increases in sugar and petroleum receipts. Sugar receipts benefitted from increases in price and volume, and higher prices accounted for the growth in citrus and petroleum revenues.

Arrivals of stay-over tourists expanded by 3.0% during the year with increases through the sea ports and international airport of 11.9% and 4.7%, respectively, outweighing a 5.8% fall in visitors entering through the land borders. Conversely, cruise ship disembarkations fell by 4.8% to 654,790, as the gradual recovery in visitors during the last three quarters of the year could not fully compensate for the 22.6% decline in first quarter disembarkations. The latter reflected the cancellation of eleven port calls due to a controversy between local tender operators and Carnival Cruise Line.

### Sugar

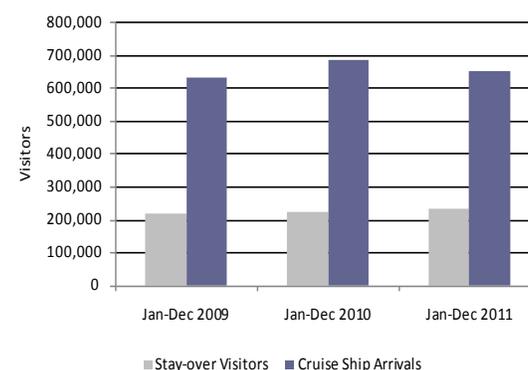
December sugarcane deliveries amounted to 141,256 long tons, more than double the deliveries for the comparable month of the 2010/11 crop year that had been affected by a two-week delay due to crop financing difficulties. Sugar production expanded by less than proportionately to 12,053 long tons due to moderate declines in cane purity and sucrose content caused by the excessive rains during

**Table 2.1 Production of Main Domestic Exports**

	Jan-Dec 2010	Jan-Dec 2011
Sugarcane Deliveries (long tons)	1,165,234	919,705
Sugar (Long tons)	93,116	104,778
Molasses (long tons)	55,479	30,781
Bananas (metric tons)	77,826	74,108
Citrus Deliveries (boxes)	4,994,165	5,613,059
Citrus Juices ('000 ps)	27,221	33,934
Petroleum (barrels)	1,513,700	1,406,534

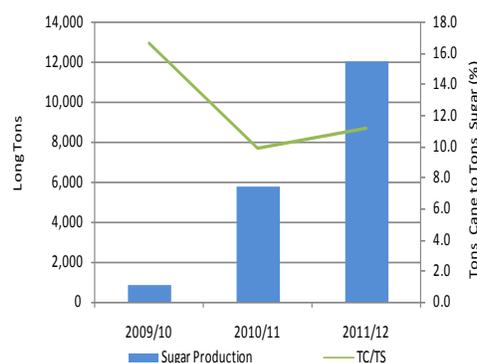
Sources: B.S.I., CPBL, Geology & Petroleum Department

**Chart 2.1: Tourist Arrivals**



Sources: BTB, CBB

**Chart 2.2: Sugar Production December to November**



Source: BSI

the last two months of 2011. The resulting cane/sugar ratio increased from 9.95 in December 2010 to 11.25. Molasses production also increased sharply by 132.7% to 3,604 long tons.

Even with no exports of sugar in December, export volume remained 13.3% higher than the previous year. Revenues grew by 40.2% to \$82.7mn, further buttressed by a 23.7% price hike. The latter was linked to increased sales of value added products, the revival of sales to the US market where average unit prices were 80.3% higher than those in the EU, and exchange rate gains from the average Euro price negotiated on the futures market. The EU remained the dominant market with 83.1% of sales due to its Fair Trade premium (US\$60 per metric ton), while the US accounted for 16.8%, and Canada received the remaining 120 long tons. Hampered by lower production, the volume of molasses exports fell by 50.4%, while revenues declined by a smaller 32.2% to \$2.9mn due to higher prices.

### Citrus

Citrus deliveries for the first two months of the 2011/12 harvest were 90.9% higher than the comparable period of the previous crop year that was affected by the losses caused by Hurricane Richard. Orange deliveries tripled to 591,523 boxes, while there was more restrained growth of 27.5% in grapefruit deliveries to 443,386 boxes. Juice production rose by 107.7% with the average pound solid (ps) yield per box increasing by 8.8%. At 5.0mn ps, concentrate production was 95.9% of the total juice output with orange concentrate accounting for 67.1% of this total. Citrus oil and pulp output amounted to 0.2mn pounds and 0.5mn pounds, respectively.

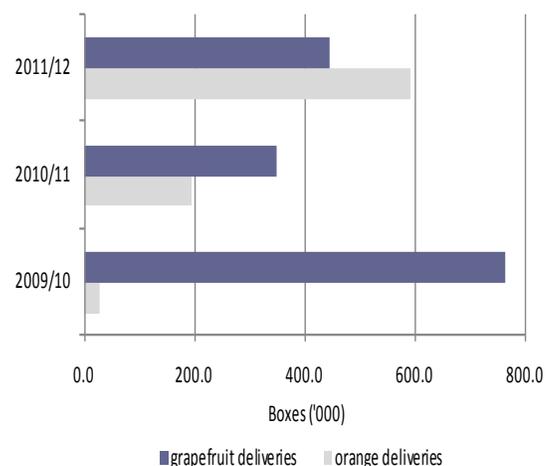
Notwithstanding increased juice production in the first

**Chart 2.3: Sugar Exports**



Source: BSI

**Chart 2.4: Citrus Deliveries  
October to November**



Sources: CGA & CPBL

semester, low beginning juice stocks affected overall export availability and sales schedules. However, although citrus juice exports declined by 16.9% to 30.6mn ps in 2011, this was ameliorated by buoyant international juice prices and revenues consequently rose by 1.0% to \$94.6mn. Despite good orange harvests and juice production in Florida and Brazil, orange concentrate prices strengthened in response to an upswing in demand from the major importing countries. Revenues from orange concentrate thus rose by 10.8% to \$85.6mn with the 22.8% increase in average unit price more than compensating for the 9.8% reduction in export volume. In the case of grapefruit, the average concentrate price rose by 17.0% due to low beginning US juice stocks and a smaller crop in Florida. However, the price hike could not fully make up for a 53.3% decline in the volume of grapefruit exports. Revenues therefore fell by 45.4% to \$9.0mn.

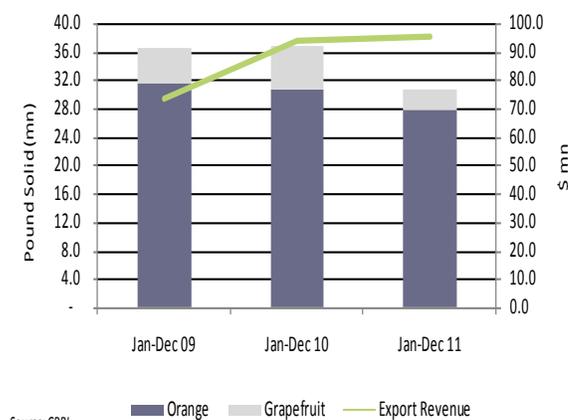
### Banana

The lingering effects of the three consecutive days of thunderstorms in the first week of September resulted in banana output declining for the fourth month in a row. Consequently, production declined by 4.8% to 74.1mn metric tons in 2011 with revenues falling in tandem by 5.2% to \$67.9mn.

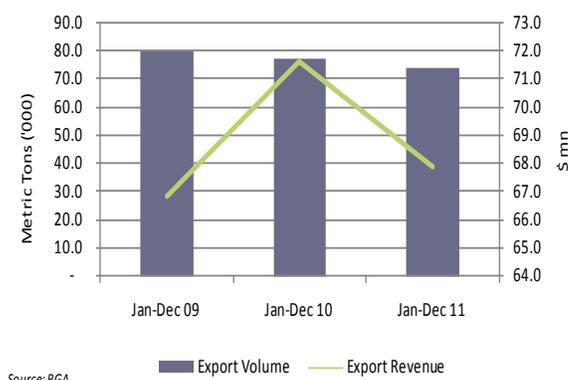
### Petroleum

With output from the Never Delay field partially compensating for the steeper than anticipated decline (13.5%) in output from Spanish Lookout, petroleum production fell by 7.1% to 1,406,534 barrels in 2011. Oil exports declined by 5.8% to 1,348,214 barrels. Since the beginning of the year, Louisiana Light Sweet spot prices, the new benchmark for Belize's petroleum, has

**Chart 2.5: Citrus Juice Production and Export Revenue**

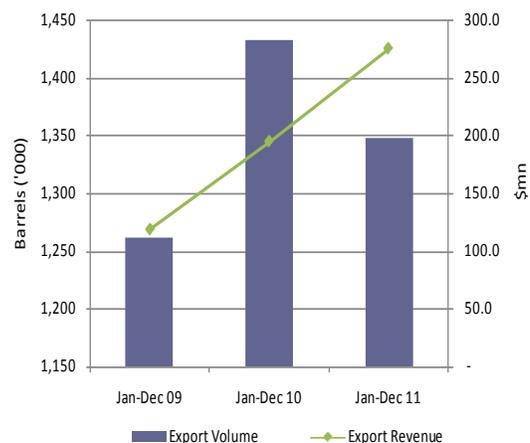


**Chart 2.6: Banana Exports**



consistently remained above the West Texas Intermediate price. Historically, light sweet crude has fetched a premium to heavier grades of oil due to the higher valued light products that it yields. Accordingly, the 48.7% price hike boosted petroleum export revenues by 40.0% to \$289.3mn with the average price of the commodity settling at US\$107.28 per barrel, US\$17.28 above the threshold price at which the petroleum surcharge becomes applicable.

**Chart 2.7: Petroleum Exports**



Source: Geology & Petroleum Dept.

## Central Government Operations

### January-December

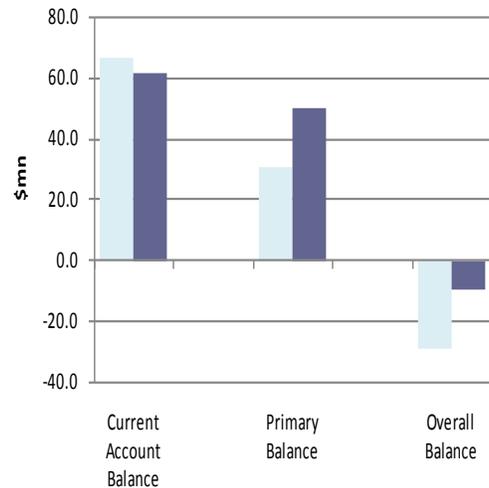
Central Government's revenues and grants were up by 4.2% mainly due to higher receipts from the petroleum industry and import duties. Expenditure edged up by \$0.7mn as a \$31.8mn increase in current spending was almost offset by a \$31.1mn decline in capital expenditure. Consequently, the fiscal outturn for the calendar year improved markedly with current and primary surpluses of \$71.5mn and \$88.5mn, respectively, and an overall deficit of \$15.0mn, which was much lower than the \$46.3mn deficit recorded for 2010.

### April-December

In the first nine months of fiscal year 2011/2012, Central Government realized current and primary surpluses of \$61.6mn and \$50.3mn, respectively. With expenditures remaining virtually flat and revenues growing modestly, the overall deficit was slashed by two-thirds to \$9.2mn, when compared to the same period of the previous fiscal year. This was financed by net external borrowings of \$22.3mn that also facilitated the build-up of government deposits at the Central Bank.

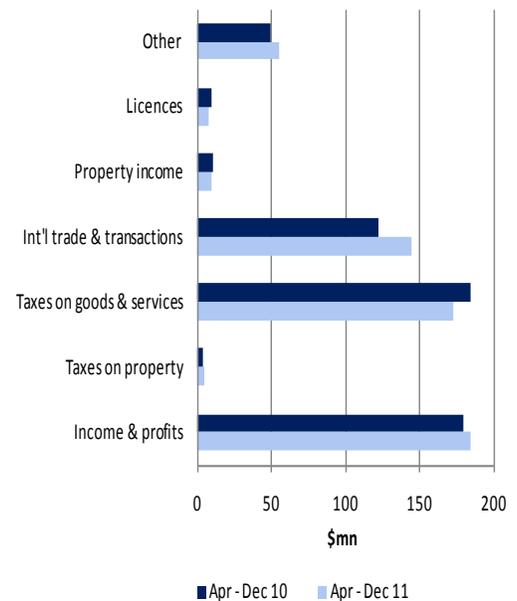
With increased collections from the petroleum industry and import duties more than compensating for lower revenues from the General Sales Tax (GST), business tax, transfers from government departments and grants, total revenues were 69.7% of budget and 3.3% (\$18.6mn) higher than the same period of the previous fiscal year. High international prices for crude oil boosted oil receipts by \$18.8mn to \$71.3mn, which included \$11.2mn in windfall taxes. The growth in imports and the replacement of the GST with a fixed duty on fuel imports boosted import duties by 20.8%. Concurrently, the decision to zero rate petroleum products caused GST

**Chart 3.1: Central Government's Operations**



Source: Ministry of Finance

**Chart 3.2: Central Government's Current Revenue**



Source: Ministry of Finance

collections to fall by \$17.5mn. Other noteworthy revenue developments included loan repayments from the DFC and increased receipts from excise duties and social fees, with the latter being due to the surge in commercial free zone imports.

Expenditures were 67.1% of budget and 0.1% (\$0.6mn) lower than the same period of the previous fiscal year, as a \$24.7mn increase in current spending was outweighed by a \$25.2mn fall in capital expenditure.

The latter reflected continuing capacity constraints and administrative delays in accessing funds that affected locally and externally funded projects. The largest increase in current spending was in wages and salaries that accounted for 48.2% of the total increase. Outlays on goods and services rose by \$6.1mn due to increased payments on contractors, maintenance, materials and supplies, while interest expenses were virtually flat as a fall in foreign interest costs was matched by higher domestic payments. Grants to municipalities and individuals (the latter mostly for education and health) accounted for the increase in subsidies and current transfers.

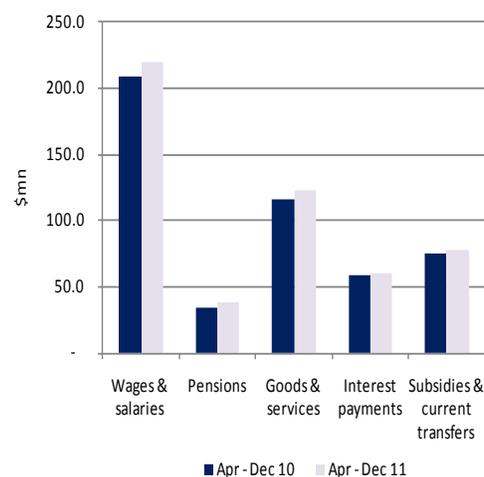
Capital expenditure amounted to \$79.0mn (49.3% of budget) and this included \$4.0mn in transfers to DFC, Belize Water Services (BWS) and a loan to the San Pedro Town Council. Some \$19.4mn was spent on infrastructure projects such as the completion of the Southern Highway, infrastructural works in the south-side of Belize City, upgrade of the Placencia road, and maintenance of streets and drains. Waste management and land development projects received a combined \$11.4mn, while \$7.0mn went on environmental protection projects. Youth, sports and culture accounted for \$5.1mn. Outlays on education, health, social protection, agriculture, housing, security and defence amounted to \$14.0mn,

**Table 3.1: Capital Expenditure and Net Lending**

	Apr-Dec 2010	Apr-Dec 2011
Public Works	30.54	19.37
Environmental Protection	8.04	6.97
Natural Resources	9.4	11.39
Housing	7.72	3.41
Health	3.11	1.61
Education	1.60	1.57
Security & Defense	3.29	2.18
Agriculture & Fisheries	1.99	2.67
Other	23.63	25.84
Net lending	14.89	3.99
<b>Total</b>	<b>104.21</b>	<b>79.00</b>

Source: Ministry of Finance

**Chart 3.3: Central Government's Current Expenditure**



Source: Ministry of Finance

and the remainder was spent on furniture, equipment, contribution to international agencies and the upgrading of office buildings.

### Central Government's Domestic Debt

Central Government's domestic debt rose by 3.7% to \$381.2mn in 2011 due to a \$14.1mn rise in overdraft financing from the Central Bank and a commercial bank loan which was on lent to the San Pedro Town Council to refurbish streets. Amortization payments totalled \$2.2mn with \$1.6mn going to non bank entities. Increased reliance on overdraft financing from the Central Bank reflected higher debt servicing, electricity prepayments, and transfers for salaries. Compared to December 2010, the share of government's debt held by the Central Bank rose by 1.1% to 42.7%, while the commercial banks' share fell by 1.7% to 43.2%. Non bank entities accounted for the remainder.

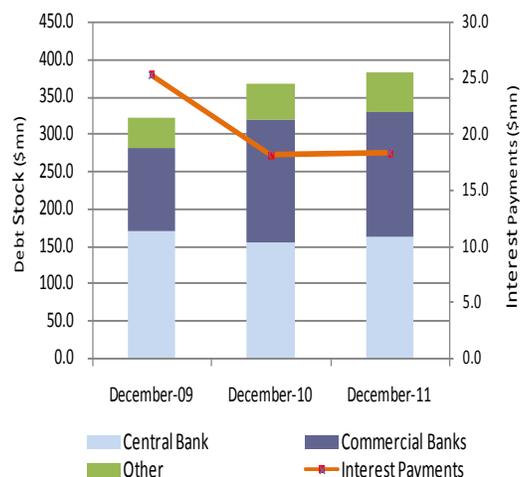
Of the \$18.4mn in interest payments, Central Bank received \$5.0mn on short-term credit provided by way of the overdraft and Treasury bills and \$6.1mn on long-term government securities. Commercial banks received \$5.0mn on their holdings of government debt and non-bank entities received \$2.2mn.

### Public Sector External Debt

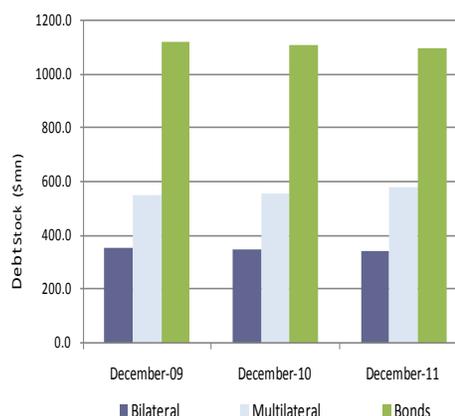
The public sector external debt rose by \$14.0mn to \$2,035.3mn as disbursements of \$66.3mn and a one-off shift of \$21.9mn from private to public sector debt due to the nationalization of the electricity company exceeded amortization payments of \$74.3mn and downward valuation adjustments of \$0.2mn (due to a net appreciation of the US Dollar against the Euro, SDR and Kuwaiti Dinar).

Disbursements included \$20.0mn from ROC/Taiwan for

**Chart 3.4: Central Government's Domestic Debt**



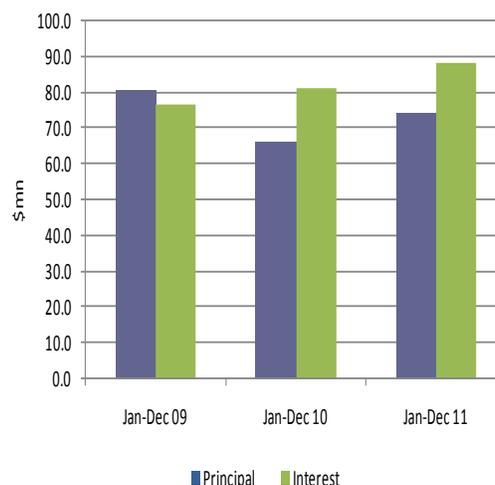
**Chart 3.5: Public Sector External Debt**



budget support, \$19.6mn from CDB for the Kendall Bridge, SIF, health reform project, DFC and water expansion, and \$19.3mn from IDB as the second tranche of a policy based loan and for projects involving solid waste management, sustainable tourism and land management. Of the \$52.9mn amortized by Central Government, \$27.0mn was paid to multilateral creditors and \$26.0mn to bilateral lenders. The DFC amortized \$12.2mn to the Belize Mortgage Company for the North American Securitization, \$1.6mn to CDB and \$0.2mn to Paine Webber, while the non-financial public sector paid \$4.0mn to multilateral creditors, \$2.6mn to commercial banks and \$0.7mn to bilateral creditors.

Interest and other payments totalled \$88.5mn, of which \$66.1mn went to holders of the 'super bond'. Bilateral lenders received \$8.8mn, of which \$7.2mn went to ROC/Taiwan, while the \$12.2mn in payments to multilateral lenders went mostly to CDB and IDB.

**Chart 3.6: External Debt Service Payments**



# Statistical Appendix

**Table A.1: Factors Responsible for Money Supply Movements**

\$mn

	Position as at Dec 2011	Changes during		
		Nov 2011 to Dec 2011	Dec 2010 to Dec 2011	Dec 2009 to Dec 2010
		<b>Net Foreign Assets</b>	<b>752.4</b>	<b>18.5</b>
Central Bank	498.5	-12.8	52.9	11.0
Commercial Bank	253.9	31.3	71.9	52.3
<b>Net Domestic Credit</b>	<b>1,915.3</b>	<b>7.9</b>	<b>-29.5</b>	<b>-57.3</b>
Central Government (Net)	157.6	7.2	-23.5	-14.4
Other Public Sector	5.4	-0.3	-0.8	-0.9
Private Sector	1,752.3	1.0	-5.2	-42.0
<b>Central Bank Foreign Liabilities(Long-term)</b>	<b>69.4</b>	<b>-0.7</b>	<b>-0.2</b>	<b>-1.2</b>
<b>Other Items (net)</b>	<b>397.0</b>	<b>-2.2</b>	<b>-20.6</b>	<b>15.5</b>
<b>Money Supply M2</b>	<b>2,201.3</b>	<b>29.3</b>	<b>116.1</b>	<b>-8.3</b>

**Table A.2: Net Foreign Assets of the Banking System**

\$mn

	Position as at Dec 2011	Changes during		
		Nov 2011 to Dec 2011	Dec 2010 to Dec 2011	Dec 2009 to Dec 2010
		<b>Net Foreign Assets of Banking System</b>	<b>752.4</b>	<b>18.5</b>
<b>Net Foreign Assets of Central Bank</b>	<b>498.5</b>	<b>-12.8</b>	<b>52.9</b>	<b>11.0</b>
Central Bank Foreign Assets	500.2	-12.9	51.5	13.0
Central Bank Foreign Liabilities(Demand)	1.7	-0.1	-1.4	2.0
<b>Net Foreign Assets of Commercial Banks</b>	<b>253.9</b>	<b>31.3</b>	<b>71.9</b>	<b>52.3</b>
Commercial Bank Foreign Assets	274.4	18.7	48.0	22.5
Commercial Bank Foreign Liab. (Short-Term)	20.5	-12.6	-23.9	-29.8

**Table A.3: Net Domestic Credit**

\$mn

	Position as at Dec 2011	Changes during		
		Nov 2011 to Dec 2011	Dec 2010 to Dec 2011	Dec 2009 to Dec 2010
<b>Total Credit to Central Government</b>	<b>327.4</b>	<b>-3.2</b>	<b>9.2</b>	<b>36.8</b>
<b>From Central Bank</b>	<b>162.7</b>	<b>-1.2</b>	<b>9.7</b>	<b>-16.9</b>
Loans and Advances	48.1	-3.2	14.1	-90.7
Gov't Securities <sup>(1)</sup>	114.6	2.0	-4.4	73.8
<b>From Commercial Banks</b>	<b>164.7</b>	<b>-2.0</b>	<b>-0.5</b>	<b>53.7</b>
Loans and Advances	3.7	-0.1	1.0	-0.4
Gov't Securities	161.0	-1.9	-1.5	54.1
(of which) Treasury Bills <sup>(2)</sup>	151.0	-1.9	-1.5	54.1
Treasury Notes	10.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
<b>Less Central Government Deposits</b>	<b>169.8</b>	<b>-10.4</b>	<b>32.7</b>	<b>51.2</b>
With Central Bank	134.9	-14.3	32.8	33.1
With Commercial Banks	34.9	3.9	-0.1	18.1
<b>Net Credit to Central Government</b>	<b>157.6</b>	<b>7.2</b>	<b>-23.5</b>	<b>-14.4</b>
<b>Credit to Other Public Sector</b>	<b>5.4</b>	<b>-0.3</b>	<b>-0.8</b>	<b>-0.9</b>
From Central Bank	0.0	0.0	0.0	0.0
From Commercial Banks	5.4	-0.3	-0.8	-0.9
(of which) Local Government	3.1	-0.4	-0.2	0.3
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	0.0	0.0	0.0	0.0
Other Statutory Bodies	2.2	0.1	-0.6	-1.2
Securities	0.0	0.0	0.0	0.0
<b>Plus Credit to the Private Sector</b>	<b>1,752.3</b>	<b>1.0</b>	<b>-5.2</b>	<b>-42.0</b>
Loans and Advances	1,751.3	1.0	-5.0	-42.0
Securities	1.0	0.0	-0.2	0.0
<b>Net Domestic Credit of the Banking System <sup>(3)</sup></b>	<b>1,915.3</b>	<b>7.9</b>	<b>-29.5</b>	<b>-57.3</b>

(1) Includes Gov't T-Bills, T-Notes & Debentures from Central Bank

(2) T-bill holdings reported by commercial banks reflect a mix of par and market values.

(3) Differences due to rounding

**Table A.4: Sectoral Composition of Commercial Banks' Loans & Advances**

\$mn

	Position as at Dec 2011	Changes during		
		Nov 2011 to Dec 2011	Dec 2010 to Dec 2011	Dec 2009 to Dec 2010
<b>PRIMARY SECTOR</b>	<b>191.3</b>	<b>-0.4</b>	<b>-3.2</b>	<b>1.3</b>
Agriculture	134.1	1.6	1.7	-1.7
Sugar	13.4	-0.3	0.4	-4.8
Citrus	17.2	0.8	-1.7	2.0
Bananas	78.2	1.2	-0.2	1.4
Other	25.3	-0.1	3.2	-0.3
Marine Products	35.3	-0.9	-2.2	3.8
Forestry	1.6	0.0	0.0	-0.8
Mining & Exploration	20.3	-1.1	-2.7	0.0
<b>SECONDARY SECTOR</b>	<b>508.8</b>	<b>5.1</b>	<b>-12.4</b>	<b>-29.1</b>
Manufacturing	35.1	1.4	-12.1	-2.4
Building & Construction	443.8	3.6	-4.1	-29.5
Utilities	29.9	0.1	3.8	2.8
<b>TERTIARY SECTOR</b>	<b>650.9</b>	<b>-7.5</b>	<b>-10.5</b>	<b>-26.1</b>
Transport	51.7	-0.9	-6.2	-18.0
Tourism	108.1	-1.9	-29.7	8.0
Distribution	213.0	-6.3	-4.7	-4.9
Other <sup>(1)</sup>	278.1	1.6	30.1	-11.2
<b>Personal Loans</b>	<b>405.5</b>	<b>3.4</b>	<b>20.6</b>	<b>10.5</b>
<b>TOTAL</b>	<b>1756.5</b>	<b>0.6</b>	<b>-5.5</b>	<b>-43.4</b>

<sup>(1)</sup> Includes government services, real estate, financial institutions, professional services and entertainment

**Table A.5: Commercial Banks' Liquidity Position & Cash Reserves**

\$mn

	Changes during			
	Position	Nov 2011	Dec 2010	Dec 2009
	as at Dec 2011	to Dec 2011	to Dec 2011	to Dec 2010
<b>Holdings of Approved Liquid Assets</b>	<b>693.8</b>	<b>-0.4</b>	<b>85.7</b>	<b>56.9</b>
Notes and Coins	57.9	5.4	-6.7	14.0
Balances with Central Bank	268.4	-17.0	42.8	-4.6
Money at Call and Foreign Balances (due 90 days)	194.6	5.3	59.5	0.5
Treasury Bills maturing in not more than 90 days <sup>(1)</sup>	156.9	9.7	6.0	52.8
Other Approved assets	16.0	-3.8	-15.9	-5.8
of which: Treasury Notes	2.5	-7.5	-14.1	-4.6
<b>Required Liquid Assets</b>	<b>472.7</b>	<b>0.4</b>	<b>24.7</b>	<b>1.7</b>
<b>Excess/(Deficiency) Liquid Assets</b>	<b>221.1</b>	<b>-0.8</b>	<b>61.0</b>	<b>55.2</b>
Daily Average holdings of Cash Reserves	270.4	-13.1	44.3	-7.9
Required Cash Reserves	174.7	0.1	9.1	-28.5
<b>Excess/(Deficiency) Cash Reserves</b>	<b>95.7</b>	<b>-13.2</b>	<b>35.2</b>	<b>20.6</b>
Actual Securities Balances <sup>(2)</sup>	151.5	-2.0	-1.5	153.0
Required Securities Balances	0.0	0.0	-128.3	128.3
<b>Excess/(Deficiency) Securities</b>	<b>151.5</b>	<b>-2.0</b>	<b>126.8</b>	<b>24.7</b>

(1) Four week average of commercial banks' T-Bills holdings.

(2) Face value of commercial banks' T-Bill holdings at the end of the month.

**Table A.6: Weighted Average Interest Rates**

Percent

	Changes during			
	Position	Nov 2011	Dec 2010	Dec 2009
	as at Dec 2011	to Dec 2011	to Dec 2011	to Dec 2010
<b>Weighted Lending Rates</b>				
Personal Loans	14.24	-0.18	-1.26	0.22
Commercial Loans	12.91	-0.05	-0.48	-0.13
Residential Construction	11.88	-0.11	-1.28	-0.10
Other	11.84	-0.20	-0.48	1.03
<b>Weighted Average</b>	<b>13.02</b>	<b>-0.10</b>	<b>-0.76</b>	<b>-0.20</b>
<b>Weighted Deposit Rates</b>				
Demand	0.48	0.01	0.00	-0.24
Savings/ Cheque	2.49	0.00	-2.51	0.00
Savings	2.98	0.02	-1.99	-0.27
Time	5.37	-0.20	-2.05	-0.75
<b>Weighted Average</b>	<b>3.65</b>	<b>-0.16</b>	<b>-1.96</b>	<b>-0.51</b>
<b>Weighted Average Spread</b>	<b>9.37</b>	<b>0.06</b>	<b>1.20</b>	<b>0.32</b>

**Table A.7: Tourist Arrivals**

	Jan-Dec 2010	Jan-Dec 2011
Air	173,398	181,541
Land	43,452	40,916
Sea	9,782	10,944
<b>Stay-over Visitors</b>	<b>226,632</b>	<b>233,401</b>
<b>Cruiase Ship Disembarkations</b>	<b>688,165</b>	<b>654,790</b>

Source: Belize Tourism Board

**Table A.8: Sugarcane Deliveries & Production of Sugar and Molasses**

	December 2010	December 2011
<b>Deliveries of Sugarcane (long tons)</b>	65,337	141,256
<b>Sugar Processed (long tons)</b>	5,757	12,053
<b>Molasses processed (long tons)</b>	1,549	3,604
<b>Performance</b>		
Factory Time Efficiency (%)	94.54	93.14
Cane Purity (%)	84.69	83.21
Cane/Sugar	9.95	11.25

Source: Belize Sugar Industries

**Table A.9: Exports of Sugar & Molasses**

	December 2010		December 2011		Jan—Dec 2010		Jan—Dec 2011	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
<b>Sugar</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>72,149</b>	<b>59,018</b>	<b>81,750</b>	<b>82,742</b>
E.U.	0	0	0	0	72,029	58,904	67,900	60,538
USA	0	0	0	0	-	-	13,730	22,075
Caricom	0	0	0	0	-	-	0	0
Other	0	0	0	0	120	114	120	130
<b>Molasses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,303</b>	<b>4,260</b>	<b>20,968</b>	<b>2,889</b>

Source: Belize Sugar Industries

**Table A.10: Citrus Deliveries & Production**

	December 2010	December 2011	Oct-Dec 2010/2011	Oct-Dec 2011/2012
<b>Deliveries (boxes)</b>				
Orange	93,440	345,108	194,380	591,523
Grapefruit	<u>73,318</u>	<u>203,410</u>	<u>347,852</u>	<u>443,386</u>
<b>Total</b>	<b>166,758</b>	<b>548,518</b>	<b>542,232</b>	<b>1,034,909</b>
<b>Concentrate Produced (ps)</b>				
Orange	525,012	2,081,759	1,072,662	3,351,747
Grapefruit	<u>310,108</u>	<u>652,669</u>	<u>1,333,469</u>	<u>1,646,251</u>
<b>Total</b>	<b>835,120</b>	<b>2,734,428</b>	<b>2,406,131</b>	<b>4,997,998</b>
<b>Not from concentrate (ps)</b>				
Orange	0	0	4,165	0
Grapefruit	<u>0</u>	<u>212,171</u>	<u>98,709</u>	<u>212,171</u>
<b>Total</b>	<b>0</b>	<b>212,171</b>	<b>102,874</b>	<b>212,171</b>
<b>Pulp (pounds)</b>				
Orange	0	135,680	18,656	174,688
Grapefruit	<u>5088</u>	<u>25440</u>	<u>21200</u>	<u>317152</u>
<b>Total</b>	<b>5,088</b>	<b>161,120</b>	<b>39,856</b>	<b>491,840</b>
<b>Oil Produced (pounds)</b>				
Orange	41,200	100,400	78,400	152,510
Grapefruit	<u>9,200</u>	<u>24,800</u>	<u>42,000</u>	<u>56,600</u>
<b>Total</b>	<b>50,400</b>	<b>125,200</b>	<b>120,400</b>	<b>209,110</b>

Source: Citrus Products of Belize

**Table A.11: Export Sales of Citrus Products**

	December		December		Jan—Dec		Jan—Dec	
	2010		2011		2010		2011	
	Volume (ps '000)	Value (\$ '000)						
<b>Citrus Concentrates</b>								
<b>U.S.A.</b>								
Orange	611.4	1,855	890.3	2,823	15,727.6	40,472	6,701.7	19,347
Grapefruit	96.457	204	0	0	445.4	1,107	0.0	0
<b>Caribbean</b>								
Orange	186.0	523	1,074.5	3,298	6,352.7	16,374	14,583.6	42,264
Grapefruit	63.87	211	62.326	224	627.2	2,094	580.6	2,037
<b>Europe</b>								
Orange	0.0	0	284.7	1,070	5,786.0	13,764	2,140.3	7,260
Grapefruit	213.764	618	236.776	904	3,011.9	7,814	1,473.5	4,886
<b>Other</b>								
Orange	304.2	736	0.0	0	2,917.3	6,674	4,355.2	16,764
Grapefruit	90.1	226	0.0	0	2,007.4	5,387	790.7	2,035
<b>Sub-Total<sup>(1)</sup></b>	<b>1,565.8</b>	<b>4,372</b>	<b>2,548.6</b>	<b>8,319</b>	<b>36,875</b>	<b>93,685</b>	<b>30,626</b>	<b>94,593</b>
Orange	1,101.6	3,113.4	2,249.5	7,191	30,783.6	77,283	27,780.8	85,635
Grapefruit	464.2	1,258.5	299.1	1,128	6,091.8	16,402	2,844.8	8,958
<b>Not-From-Concentrate</b>								
<b>Sub-Total</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>7</b>	<b>0.4</b>	<b>2</b>	<b>4.3</b>	<b>28</b>
Orange	0.0	0	0.0	0	0.0	0	0.0	0.0
Grapefruit	0.0	0	1.1	7	0.4	2	4.3	28
<b>Total Citrus Juices</b>	<b>1,565.8</b>	<b>4,372</b>	<b>2,549.7</b>	<b>8,326</b>	<b>36,875.8</b>	<b>93,687</b>	<b>30,629.9</b>	<b>94,621</b>
<b>Pulp (pounds '000)</b>								
<b>Sub-Total<sup>(1)</sup></b>	<b>70.0</b>	<b>51.0</b>	<b>36.9</b>	<b>33</b>	<b>1,654.6</b>	<b>1,193</b>	<b>1,433.3</b>	<b>1,049</b>
Orange	0.0	0	12.7	14	1,423.9	1,025	1,287.8	938
Grapefruit	70.0	51	24.2	19	230.7	168	145.5	112

Source: Citrus Products of Belize

(1) Value may not equal to total due to rounding.

**Table A.12: Government Revenue & Expenditure**

BZ\$'000

	Approved Budget 2010/2011	Jan-10 to Dec-10	Jan-11 to Dec-11	Apr-10 to Dec-10	Apr-11 to Dec-11	Actual YTD as % of Budget
<b>TOTAL REVENUE &amp; GRANTS (1+2+3)</b>	<b>843,630</b>	<b>769,522</b>	<b>801,531</b>	<b>569,287</b>	<b>587,841</b>	<b>69.7%</b>
1). Current revenue	784,049	753,769	786,010	559,799	579,652	73.9%
Tax revenue	687,266	644,982	675,869	489,777	506,300	73.7%
Income and profits	256,742	239,063	244,852	179,481	184,205	71.7%
Taxes on property	5,459	5,495	7,468	4,033	4,931	90.3%
Taxes on goods and services	226,740	238,516	239,461	184,085	172,441	76.1%
Int'l trade and transactions	198,325	161,908	184,088	122,178	144,723	73.0%
Non-Tax Revenue	96,783	108,787	110,141	70,022	73,352	75.8%
Property income	12,229	21,839	16,441	10,818	9,626	78.7%
Licences	13,619	12,828	11,530	9,451	8,136	59.7%
Other	70,935	74,120	82,170	49,753	55,590	78.4%
2). Capital revenue	5,286	3,979	6,164	3,021	4,496	85.1%
3). Grants	54,295	11,774	9,357	6,467	3,693	6.8%
<b>TOTAL EXPENDITURE (1+2)</b>	<b>889,787</b>	<b>815,865</b>	<b>816,544</b>	<b>597,603</b>	<b>597,050</b>	<b>67.1%</b>
1). Current Expenditure	729,553	682,734	714,489	493,386	518,052	71.0%
Wages and Salaries	300,368	278,293	290,969	208,433	220,350	73.4%
Pensions	48,916	46,089	49,895	33,513	38,062	77.8%
Goods and Services	168,444	164,075	170,961	116,746	122,862	72.9%
Interest Payments on Public Debt	111,566	95,801	103,562	59,368	59,555	53.4%
Subsidies & current transfers	100,259	98,476	99,102	75,326	77,223	77.0%
2). Capital Expenditure	160,234	133,131	102,055	104,217	78,998	49.3%
Capital II (local sources)	47,994	74,748	69,460	57,266	53,643	111.8%
Capital III (foreign sources)	107,281	42,691	26,941	32,061	21,366	19.9%
Capital Transfer & Net Lending	4,959	15,692	5,654	14,890	3,989	80.4%
<b>CURRENT BALANCE</b>	<b>54,496</b>	<b>71,035</b>	<b>71,521</b>	<b>66,413</b>	<b>61,600</b>	<b>113.0%</b>
<b>Primary Balance</b>	<b>65,409</b>	<b>49,458</b>	<b>88,549</b>	<b>31,052</b>	<b>50,346</b>	<b>77.0%</b>
<b>OVERALL BALANCE</b>	<b>(46,157)</b>	<b>(46,343)</b>	<b>(15,013)</b>	<b>(28,316)</b>	<b>(9,209)</b>	<b>20.0%</b>
<b>PB less Grants</b>	<b>11,114</b>	<b>37,684</b>	<b>79,192</b>	<b>24,585</b>	<b>46,653</b>	<b>419.8%</b>
<b>OB less Grants</b>	<b>(100,452)</b>	<b>(58,117)</b>	<b>(24,370)</b>	<b>(34,783)</b>	<b>(12,902)</b>	<b>12.8%</b>
FINANCING	46,157	46,343	15,013	28,316	9,209	
<b>Domestic Financing</b>		<b>45,727</b>	<b>9,457</b>	<b>12,168</b>	<b>(9,802)</b>	
Central Bank		(50,060)	(23,121)	(83,566)	(34,212)	
Net Borrowing		(16,972)	9,639	(18,661)	18,687	
Change in Deposits		(33,088)	(32,760)	(64,905)	(52,899)	
Commercial Banks		35,596	(487)	35,953	(485)	
Net Borrowing		53,700	(538)	53,744	(6,146)	
Change in Deposits		(18,104)	51	(17,791)	5,661	
Other Domestic Financing		60,190	33,065	59,781	24,895	
<b>Financing Abroad</b>		<b>4,942</b>	<b>13,032</b>	<b>13,189</b>	<b>22,290</b>	
Disbursements		59,103	65,980	51,123	58,963	
Amortization		(54,162)	(52,948)	(37,933)	(36,673)	
Other		(4,326)	(7,476)	2,959	(3,279)	

Source: Ministry of Finance

**Table A.13: Central Government's Domestic Debt<sup>(1)</sup>**

BZ\$'000

	Disbursed Outstanding Debt 31/12/10 <sup>R</sup>	TRANSACTIONS THROUGH NOVEMBER 2011				Disbursed Outstanding Debt 30/11/11 <sup>P</sup>
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
<b>Overdraft / Loans</b>	34,046	0	0	4,444	14,085	48,130
Central Bank	34,046	0	0	4,444	14,085	48,130
Commercial Banks	0	0	0	0	0	0
<b>Treasury Bills</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>4,553</b>	<b>0</b>	<b>175,000</b>
Central Bank	21,014	0	0	554	1,317	22,331
Commercial Banks	152,522	0	0	3,973	(1,495)	151,027
Other	1,464	0	0	25	178	1,642
<b>Treasury Notes</b>	<b>136,800</b>	<b>0</b>	<b>0</b>	<b>7,668</b>	<b>0</b>	<b>136,800</b>
Central Bank	87,991	0	0	5,348	(5,763)	82,228
Commercial Banks	10,000	0	0	600	0	10,000
Other	38,809	0	0	1,720	5,763	44,572
<b>Defence Bonds</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>10,000</b>
Central Bank	10,000	0	0	800	0	10,000
Commercial Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Atlantic Bank Ltd.</b>	<b>0</b>	<b>1,500</b>	<b>69</b>	<b>55</b>	<b>0</b>	<b>1,431</b>
<b>Heritage Bank Ltd</b>	<b>2,743</b>	<b>0</b>	<b>474</b>	<b>379</b>	<b>0</b>	<b>2,269</b>
<b>Belize Social Security Board</b>	<b>4,374</b>	<b>0</b>	<b>869</b>	<b>318</b>	<b>0</b>	<b>3,505</b>
<b>Fort St Tourism Vlg.</b>	<b>96</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>Debt for Nature Swap</b>	<b>3,747</b>	<b>0</b>	<b>693</b>	<b>45</b>	<b>0</b>	<b>3,054</b>
<b>Guardian Life Bze</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>1,000</b>
<b>Total</b>	<b>367,806</b>	<b>1,500</b>	<b>2,162</b>	<b>18,352</b>	<b>14,085</b>	<b>381,229</b>

<sup>(1)</sup> Please Note that transactions associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

<sup>(2)</sup> GOB has outstanding loan with BSSB consisting of (1) Hopeville Housing Project and (2) loan purchased from DFC (as of Jan 30th 2007).

**Table A.14: Public Sector External Debt by Creditor**

BZ\$'000

	Disbursed		TRANSACTIONS THROUGH DECEMBER 2011				Disbursed	
	Outstanding	Disbursements	Principal Pay- ments	Interest & Other Payments	Parity Change	Outstanding	Debt	
	Debt					31/12/11 <sup>e</sup>		
	31/12/10 <sup>a</sup>							
<b>CENTRAL GOVERNMENT</b>	<b>1,888,118</b>	<b>65,980</b>	<b>52,947</b>	<b>85,470</b>	<b>-8</b>	<b>1,901,142</b>		
Banco Nacional de Comercio Exterior	4,764	0	1,059	273	0	3,705		
Government of the United States	1,096	0	347	51	0	748		
Government of Venezuela	38,760	57	1,326	326	0	37,492		
Kuwait Fund for Arab Economic Dev	16,930	0	2,210	803	267	14,987		
Republic of China	280,884	20,000	20,144	7,173	0	280,740		
Caribbean Development Bank	189,383	19,288	9,435	5,944	2	199,237		
European Economic Community	14,903	0	690	93	-418	13,795		
European Investment Bank	91	0	93	2	2	0		
Inter-American Development Bank	207,082	19,323	8,615	3,546	0	217,790		
International Fund for Agric. Dev.	1,450	741	139	18	140	2,192		
Intl. Bank for Reconstruction & Dev.	22,585	2,463	5,792	223	0	19,256		
Opec Fund for Int'l. Development	14,814	4,109	2,232	744	0	16,691		
Central American Bank for Econ. Integ.	980	0	0	102	0	980		
Manufacturers & Traders Trust Co.	865	0	865	25	0	-0		
Bear Stearns & Co (Untendered portion)	5,916	0	0	0	0	5,916		
Bank of New York (New Bond Issue)	1,087,613	0	0	66,149	0	1,087,613		
<b>NON-FINANCIAL PUBLIC SECTOR</b>	<b>31,551</b>	<b>318</b>	<b>7,275</b>	<b>1,291</b>	<b>60</b>	<b>46,802</b>		
Kuwait Fund for Arab Economic Dev	4,603	0	720	165	60	3,944		
Deutsche Bank	844	0	422	28	0	422		
Royal Merchant Bank and Finance Co. <sup>(1)</sup>	0	0	559	57	0	601		
The Bank of Nova Scotia <sup>(1)</sup>	0	0	1,595	56	0	9,571		
European Investment Bank <sup>(1)</sup>	0	0	0	0	0	2,082		
Intl. Bank for Reconstruction & Dev. <sup>(1)</sup>	0	0	495	15	0	0		
Caribbean Development Bank <sup>(1)(2)</sup>	26,104	318	3,485	970	0	30,183		
<b>FINANCIAL PUBLIC SECTOR</b>	<b>101,600</b>	<b>0</b>	<b>14,049</b>	<b>2,049</b>	<b>-222</b>	<b>87,330</b>		
Caribbean Development Bank	12,204	0	1,565	290	0	10,639		
European Economic Community	423	0	40	4	-6	377		
Paine Webber Real Estate Securities Inc.	600	0	200	0	0	400		
Belize Mortgage Company <sup>(3)</sup>	18,781	0	12,244	1,274	0	6,538		
International Monetary Fund <sup>(4)</sup>	69,592	0	0	481	-215	69,377		
<b>GRAND TOTAL</b>	<b>2,021,269</b>	<b>66,298</b>	<b>74,271</b>	<b>88,808</b>	<b>(169)</b>	<b>2,035,274</b>		

<sup>(1)</sup> Effective June 21st 2011 the nationalization of BEL caused the increase (\$21.9mn) in debt, which was matched by GOB's acquisition of assets of equal value.

<sup>(2)</sup> Effective October 3rd 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize repurchase of the company.

<sup>(3)</sup> BMC is the issuer of the DFC North American Securitization Loan through the Bank of New York.

<sup>(4)</sup> IMF SDR Allocation is included as part of financial public sector external debt obligation.