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CENTRAL BANK OF BELIZE



Quarterly Review

March 2010

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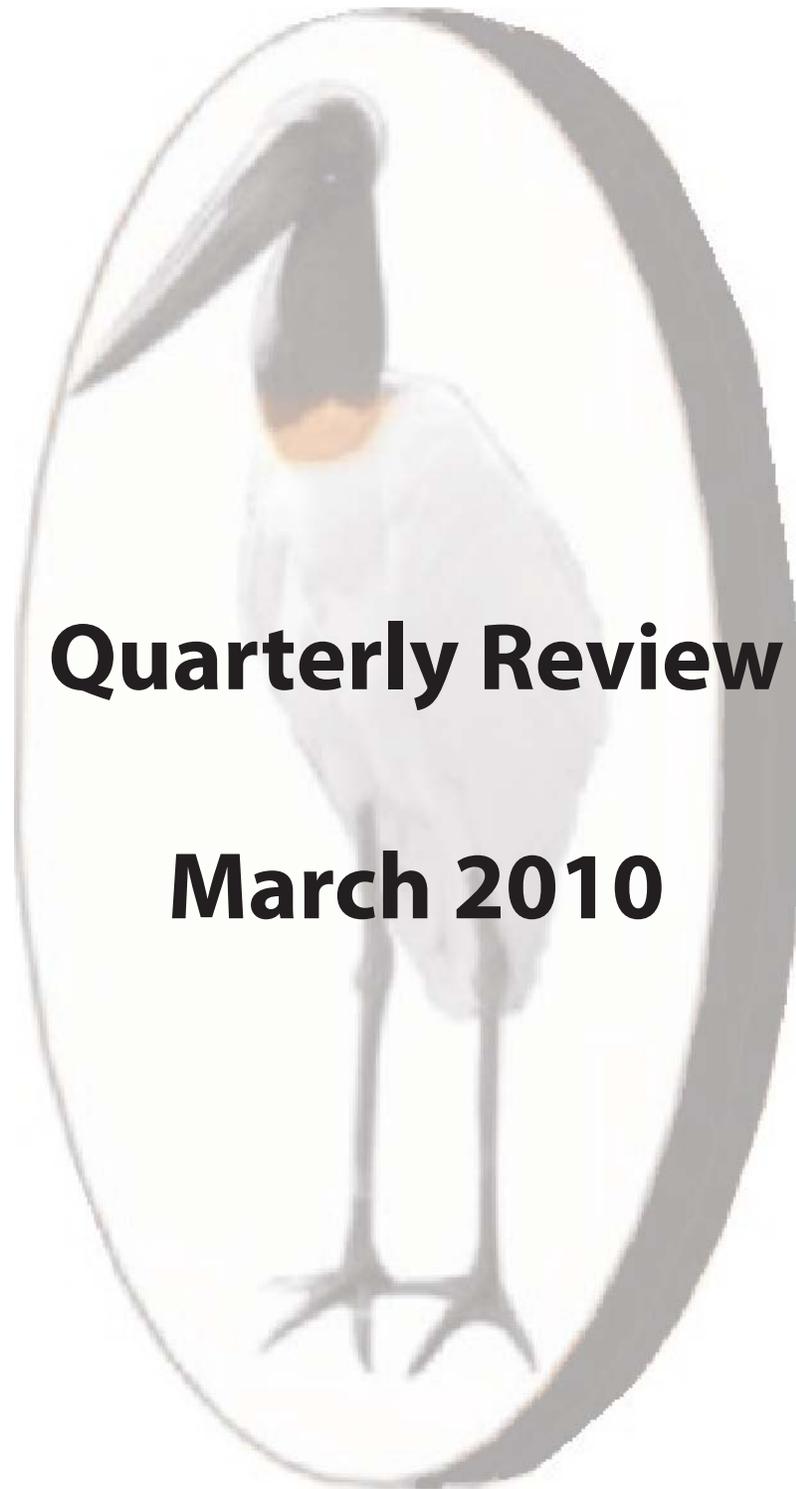
Correspondence and enquires regarding the Review should be addressed to:

Director (Research)
Central Bank of Belize
P.O. Box 852
Belize City, Belize
Central America

Telephone: (501) 223-6194
Facsimile: (501) 223-6219

Email: cbbrsh@btl.net
Bank's Website: www.centralbank.org.bz

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Overview

After zero growth in 2009, the Belizean economy grew by 3.5% in the first quarter of 2010. The recovery was broad based, with the exception of the fishing subsector that contracted due to a fall in shrimp production. Manufacturing registered the largest increase of 9.8% due to a surge in oil production while an increase in stay-over tourist arrivals contributed to a 9.3% surge in hotel and restaurant activity. Significant increases were also recorded in construction, electricity, water and other private services.

The Consumer Price Index (CPI) rose by 0.2% over the quarter (November 2009 to February 2010) and by 1.4% over the year (February 2009 to February 2010). The latter reflected across-the-board price increases with the exception of 'Food, Beverages and Tobacco' that experienced a 4.8% deflation. The largest price increase was in 'Transport & Communication' and reflected the doubling of fuel prices at the pump.

The deficit in the external current account declined significantly to \$1.3mn mainly due to a fall in imports and growth in receipts from domestic exports, tourism, other services and family remittances. On the other hand, a capital and financial account deficit of \$46.1mn was recorded, as foreign direct investment declined and Central Government, commercial banks

and the rest of the private sector made net loan repayments. Gross international reserves stood at \$413.7mn, the equivalent of 4.2 months of merchandise imports.

The last quarter in fiscal year 2009/2010 saw a rebound of 15.3% in Government's revenue collections when compared to the same period of the 2008/2009 fiscal year as revenues were bumped up by the General Sales Tax (GST), import duties and revenues from petroleum companies. Even so, Central Government's revenues for the entire fiscal year were down by 7.7%, mainly due to a sizeable reduction in receipts from grants, the GST and property income. The reduction in capital spending resulted in total expenditures approximating to that of the 2008/2009 fiscal year. Central Government's current and primary surpluses fell significantly to \$4.5mn and \$53.2mn, respectively, while the overall balance swung from a surplus to an overall deficit of \$42.5mn. The deficit was financed by external borrowing and the draw down of deposits held at the Central Bank.

A \$1.7mn increase was recorded in the government's domestic debt, reflecting a small expansion in its overdraft balance with the Central Bank and a shift of \$1.0mn in Treasury notes from an external to a domestic liability. The public sector's external debt fell by \$15.4mn to \$2,015.9mn with principal payments to external creditors amounting to \$19.7mn.



External loan disbursements and interest payments for the first quarter totaled \$7.8mn and \$31.0mn, respectively.

Broad money grew by 0.8% during the first quarter, fuelled by a \$57.0mn expansion in net foreign assets with inflows from tourism and exports being the main drivers. Net domestic credit declined by \$41.8mn reflecting sizeable reductions in private sector loan balances while on the other hand, Central Government drew down on its Central Bank deposit balances mainly to meet external debt obligations and end of fiscal year outlays. The slowdown in private sector credit contributed to the increase in the banking system's liquidity with excess statutory liquidity up by 50.2% and excess cash reserves up by 57.5%. In other developments, the weighted average interest rate spread of the banks rose by 31 basis points, as the weighted average lending rate remained unchanged, while the average deposit rate fell by 31 basis points to 5.81%.



MONETARY DEVELOPMENTS

Broad money (M2) rose by 0.8% during the first quarter, compared to growth of 4.5% in the same period of 2009. Buoyed by inflows from tourism and exports, a \$57.0mn increase in net foreign assets outpaced a \$41.8mn contraction in net domestic credit. The latter largely

holdings by a private utility company and businesses. Quasi-money contracted by 1.4%, a reversal of the 4.7% growth recorded in the preceding year, due in large part to a \$24.5mn reduction in time deposits, which reflected the liquidation of deposits by a non-resident entity which used the funds to repay loan balances of a local company group.

Table 1.1: Factors Responsible For Money Supply Movements

BZ\$m

	Position as at Mar 2010	Changes during	
		Dec 2009 to Mar 2010	Dec 2008 to Mar 2009
Net Foreign Assets	621.4	57.0	44.1
Central Bank	421.0	-13.6	3.7
Commercial Bank	200.4	70.6	40.4
Net Domestic Credit	1,960.5	-41.8	28.1
Central Government (Net)	225.8	33.2	39.9
Other Public Sector	9.1	-1.0	-2.7
Private Sector	1725.6	-74.0	-9.1
Central Bank Foreign Liabilities (Long-term)	68.6	-2.2	13.9
Other Items (net)	402.6	-0.1	-30.1
Money Supply M2	2,110.7	17.5	88.4

reflected sizeable repayments of private sector loan balances which offset the increase in net financing for Central Government during the quarter.

Narrow money (M1) rose by 5.2% , mostly due to a \$36.5mn growth in demand deposits, which featured increases in

Facilitated by an easing of the external current account deficit, the net foreign assets of the banking system expanded by \$57.0mn, a year-on-year increase of 29.2%. Inflows from exports and tourism accounted for a \$70.6mn boost in commercial banks' net foreign assets that outweighed a \$13.6mn contraction in



Central Bank's net holdings. Commercial banks reduced their foreign liabilities by \$25.3mn and increased their foreign asset holdings by \$45.3mn. Meanwhile, the Central Bank's net foreign position worsened as inflows of \$64.9mn fell short of outflows of \$78.5mn. Of total outflows, some 72.0%, was used to meet Central Government's external debt commitments that included the first bi-annual 'super-bond' interest payment. Approximately two-thirds of total inflows came from taxes, royalties and working

overshadowed a \$33.2mn increase in net credit to central government. In line with the trend from the two previous years, the increase in net credit to central government largely reflected its use of deposits in order to meet external debt obligations. In contrast, private sector credit nose-dived, with general contractions, except in the primary sector, which received an \$8.2mn increase. The largest decline of \$45.7mn was in the secondary sector and reflected a substantial repayment that reduced the balances owed by a

Table 1.2: Net Foreign Assets of the Banking System

BZ\$m

	Position as at Mar 2010	Changes during	
		Dec 2009 to March 2010	Dec 2008 to Mar 2009
Net Foreign Assets of Banking System	621.4	57.0	44.1
Net Foreign Assets of Central Bank	421.0	-13.6	3.7
Central Bank Foreign Assets	422.0	-13.7	3.1
Central Bank Foreign Liabilities (Demand)	1.0	-0.1	-0.6
Net Foreign Assets of Commercial Banks	200.4	70.6	40.4
Commercial Bank Foreign Assets	249.2	45.3	-7.4
Commercial Bank Foreign Liab. (Short-Term)	48.8	-25.3	-47.8

interest payments from oil production, sugar export receipts and purchases from the BTB.

A significant one-off repayment of private sector construction loans featured prominently in the 2.1% decline in net domestic credit, as a 4.1% (\$74.0mn) contraction in credit to the private sector

group of affiliated companies. Personal loans also declined by 2.7%, while net repayments were made on tertiary sector loans, particularly by entities engaged in transportation and distribution.

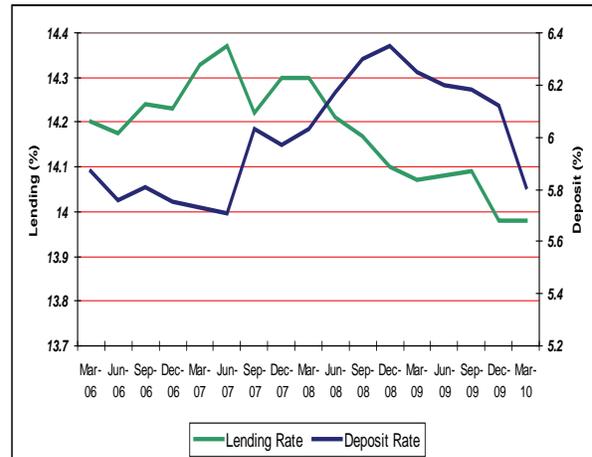
Boosted by foreign inflows and a steeper than usual slowdown in private sector credit, excess statutory liquidity



expanded by 50.2% to \$157.6mn, reminiscent of levels last seen in 2001 and the first quarter of 2009. Commercial banks' holdings of approved liquid assets increased by \$60.4mn relative to a \$7.7mn increase in the required level. While four of the five commercial banks recorded increases, liquidity was unevenly distributed, with two banks accounting for 50.1% of the total. Major portfolio adjustments included increases in short-term foreign balances and cash balances held with the Central Bank of \$54.3mn and \$30.9mn, respectively, which were partially offset by a \$21.2mn divestment of Treasury notes. Excess cash reserves grew by \$23.0mn, as a \$26.4mn growth in average holdings outpaced a \$3.4mn rise in the required level.

The weighted average interest rate spread increased to 8.17% as average lending rates remained unchanged and heightened levels of excess liquidity exerted downward pressure on deposit rates. The weighted average lending rate remained at 13.98% (the lowest level recorded since January 2004), and featured a 61 basis point reduction on residential construction loans, while the rate for personal loans increased by 75 basis points. Average deposit rates fell by 31 basis points to 5.81% with reductions focused on time and demand deposit rates.

**Chart 1.1: Weighted Average Interest Rates
 March 2006 - March 2010**



The sluggish credit demand contributed to a 96 basis point decline in the weighted average lending rate on new loans during the quarter, with notable reductions of 99 and 84 basis points for commercial and personal loans, respectively. New deposit rates fell by 12 basis points on average with across the board reductions in all categories except demand deposits, with the most notable being a 32 basis point decline on savings deposits. The marginal interest rate spread subsequently narrowed by 84 basis points to 6.74%.



DOMESTIC PRODUCTION AND PRICES

Expanded output in all industries except fishing underpinned a 3.5% growth in the domestic economy during the first quarter, that compared favourably to the 2.1% contraction experienced in the first quarter of 2009 when the debilitating effects of the global financial crisis on the country were strongest.

Notwithstanding a 3.2% recovery in agricultural production due to a rally in citrus and banana production, a 25.0% decline in the fishing sub-sector mainly due to reduced output of farmed shrimp caused primary sector activities to contract by 2.0%.

Growth of 3.8% in the secondary sector was driven mostly by increased petroleum production and a 4.1% growth in electricity due to the addition of the co-generation plant. Construction activity also maintained buoyancy with a 5.7% growth.

Activity in the tertiary sector also expanded by 3.8%, mostly in response to the modest increase in stay-over tourist arrivals and government services. Renewed marketing efforts by the tourism industry underpinned a 9.3% growth in hotels & restaurants, a 2.0% recovery in distribution and 0.5% uptick in transport and communications.

**Table 2.1: Growth Rate of Real GDP
by Sector**

	Year on Year growth (%)	
	Jan-Mar 09 ⁽¹⁾	Jan-Mar 10 ⁽¹⁾
	Over Jan-Mar 08	Over Jan-Mar 09
Agriculture, hunting & forestry	-11.3	3.2
Fishing	4.2	-25.0
Manufacturing (incl. mining & quarrying)	4.1	9.8
Electricity & water	2.7	4.1
Construction	28.8	5.7
Wholesale & Retail	-8.6	2.0
Hotels & Restaurants	-11.1	9.3
Transport & communication	-2.9	0.5
Other private services exc. FISIM	2.9	4.0
Producers of government services	6.7	7.1
All industries at basic prices	-0.9	3.8
Taxes on products	-10.1	1.3
GDP at market prices	-2.1	3.5
GDP at market prices (\$Bz mn)		
Constant 2000 prices	601.5	622.9

Sugar

Teething problems of the new cogeneration plant caused the 2009/2010 sugarcane crop year to start late and reduced the factory's grinding capacity and daily intake of sugarcane. Sugarcane deliveries consequently fell by 27.9% to 427,130 long tons. At the same time, the smaller processing volume and higher cane to sugar ratio caused by an increase in the kill-to-mill time (resulting from the longer factory queues) precipitated a 31.4% decline in sugar outturn to 38,525 long tons. Molasses output also declined but by a lesser 10.8% to 13,940 long tons.

The estimated price paid to farmers in



Table 2.2: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec-Mar 2008/09	Dec-Mar 2009/10
Deliveries of Sugarcane to BSI (long tons)	592,721	427,130
Sugar Processed by BSI (long tons)	56,175	38,525
Molasses processed by BSI (long tons)	15,622	13,940
Performance		
Factory Time Efficiency (%)	93.4	92.5
Cane Purity (%)	84.8	81.8
Cane/Sugar	10.4	10.9

Source: Belize Sugar Industries

this crop year is expected to decline by 32.9% to \$45.04 per long ton, due to the impact of the final cut in the EU sugar price that took effect in October 2009 (from €448.8 to €335.14 per metric ton).

Citrus

Deliveries for the first five months of the crop year increased by 8.0% to 3.7mn boxes, led by a 25.4% surge in grapefruit deliveries and supported by a 0.1% increase in those of orange. Stronger grapefruit prices announced this year encouraged farmers to harvest their crop. Mirroring deliveries, juice production rose by 6.1% with concentrate production up by 3.2% to 19.1mn ps due to a 15.0% increase in grapefruit concentrate juice.

Output of grapefruit NFC was also ramped up as part of the processor's plan to sell more value added juices. Citrus oils increased to 1.1mn pounds, while pulp production declined to 0.8mn pounds.

During the first quarter of the year, orange juice prices rallied with the market's expectation of tighter orange juice supplies owing to a small Florida orange crop and low beginning stocks in Brazil. Notwithstanding a decline in US grapefruit per capita juice consumption, prices were bolstered by low juice stocks and a smaller crop in Florida. Consequently, the estimated final prices to be paid to local farmers for the current crop were \$1.61 per pound solid for orange and \$1.19 per

Table 2.3: Output of Citrus Products

	Nov-Mar 2008/2009	Nov-Mar 2009/2010
Deliveries (boxes)		
Orange	2,383,632	2,386,682
Grapefruit	1,078,502	1,352,297
Total	3,462,134	3,738,979
Concentrate Produced (ps)		
Orange	14,270,866	14,214,117
Grapefruit	4,282,144	4,925,296
Total	18,553,010	19,139,413
Not from Concentrate (ps)		
Orange	3,415	0
Grapefruit	0	556,204
Total	3,415	556,204
Pulp (pounds)		
Orange	1,525,732	765,500
Grapefruit	607,592	0
Total	2,133,324	765,500
Oil Produced (pounds)		
Orange	864,600	841,600
Grapefruit	156,600	213,200
Total	1,021,200	1,054,800

Sources: Citrus Products of Belize Ltd., Belize Citrus Growers Association



pound solid for grapefruit, compared to \$1.06 and \$0.94 paid respectively in the previous crop year.

Banana

First quarter banana output increased by 16.2% to 1.0mn 40 pound boxes, supported by favourable weather and the maturation of meristem investments. The average box price also improved by 4.8% to US\$9.10 as Fyffes bumped up their offer price to the farmers in exchange for exclusivity in marketing Belize’s bananas. It is therefore expected that no sales will be made to Dole this year.

At 6,524 acres, the area under harvestable

Table 2.4: Banana Production

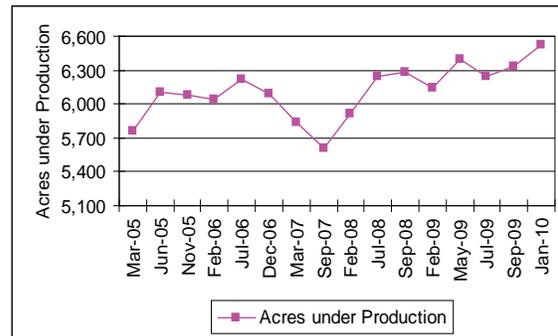
40 pound boxes

	Jan - Mar 2009	Jan - Mar 2010
January	304,163	291,536
February	237,973	327,320
March	315,521	377,651
Total	857,657	996,507

Source: Banana Grower’s Association

trees was 193 acres more than that at the end of September 2009. The comparable plantilla (trees too young for harvesting) acreage decreased slightly from 354 acres in the previous year to 350 acres, and approximately 12 acres were prepared and ready for planting .

Chart 2.1: Banana Production Acreage



Petroleum

With pumping stabilized from ten wells, production for the first quarter surged by 21.3% to 385,608 barrels. A pick up in international demand for crude oil in line with the global economic recovery and concerted efforts by OPEC to limit production hoisted prices upward, so the average price per barrel more than doubled.

Tourism

Growth in tourist arrivals worldwide was estimated at 7.0% for the first two months of the year. Positive growth was recorded for all world regions, with the Americas displaying the weakest average growth of 3.0%. Stay over arrivals increased in all Caribbean countries except Bermuda, Curacao, Grenada, Montserrat and Saba. Martinique posted the sharpest increase in visitor arrivals of 16.1%, followed by Dominica, US Virgin Islands, Puerto Rico and Jamaica.

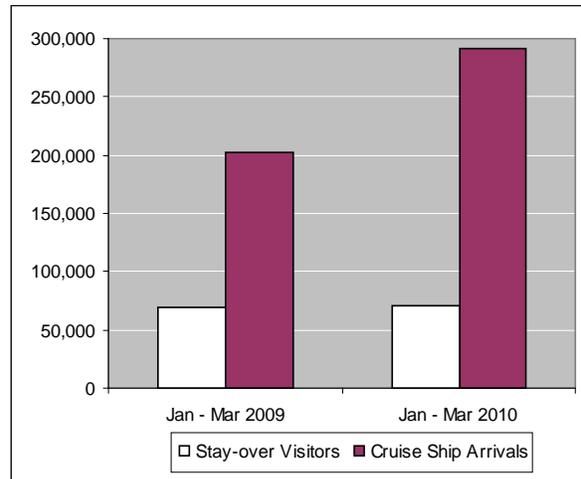


Table 2.5: Bona Fide Tourist Arrivals
 Year to Date

	Jan-Mar 2009	Jan-Mar 2010
Stay-over Arrivals		
Air	52,759	54,980
Land	13,004	13,330
Sea	3,051	3,035
Total	68,814	71,346
Cruise Ship	203,007	291,386

Sources: Belize Tourism Board, Immigration Department and Central Bank of Belize

Chart 2.2: Tourist Arrivals



The positive pickup in global tourism was reflected in Belize where first quarter **stay over tourist arrivals** increased by 3.7% to 71,346 visitors, breaking the declining trend of the past seven consecutive quarters. The number of overnight visitors entering the country through the international airport and land borders increased by 4.2% and 2.5% respectively, while arrivals through the sea ports declined by 0.5%. The major market for Belize continued to be the United States as arrivals from that destination increased by 5.8% to 46,646 visitors. Visitors from other destinations rose by 7.9%, while arrivals from the EU, the second largest market, fell by 12.9%.

Notwithstanding the recovery of tourist demand for Cancun as a destination, cruise ship disembarkations in Belize increased by 43.5% to 291,386 persons, facilitated by larger ships as well as an increase in the number of port calls.

Consumer Price Index

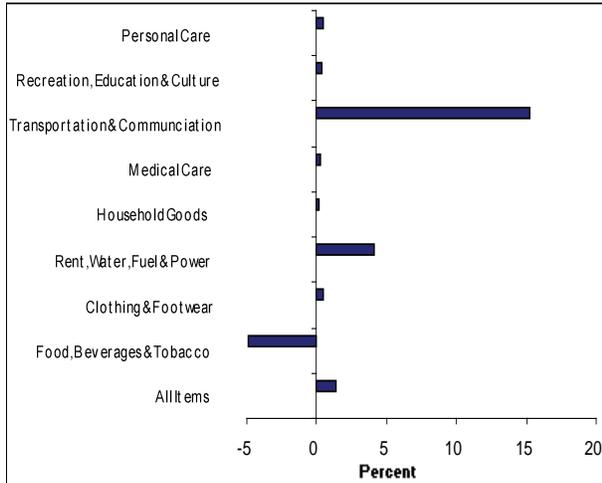
The Consumer Price Index (CPI) rose by 0.2% over the quarter (November-09 to February-10) and by 1.4% over the year (February 2009 to February 2010). Annual inflation was driven by higher fuel acquisition costs as the first quarter average West Texas Intermediate (WTI) crude oil price increased by 83.3% over the comparative period in line with the uptick in global conditions.

'Transportation & Communication' experienced the steepest price hike of 15.2%, reflecting the doubling of fuel prices at the pump, while the category, 'Rent, Water, Fuel & Power' followed with a 4.1% increase. Modest increases also occurred in 'Clothing and Footwear', 'Household Goods and Maintenance', 'Personal Care' and 'Education & Recreation'. Countering these price hikes



was a 4.9% decline in the 'Food, Beverage and Tobacco' sub category.

Chart 2.3: Annual Percentage Change in Consumer Price Index





INTERNATIONAL TRADE AND PAYMENTS

A contraction in imports and higher inflows from domestic exports, tourism, other services and workers' remittances reduced the first quarter current account deficit from \$25.4mn in 2009 to \$1.3mn in 2010. In contrast, the balance on the capital and financial account shifted from a \$29.2mn surplus to a deficit of \$46.1mn due to lower foreign direct investments and net loan repayments by commercial banks, the private sector and government. The result was a \$13.6mn decline in gross international reserves to \$413.7mn, which is equivalent to 4.2 months of merchandise imports.

The trade deficit narrowed by 40.2% as a 5.8% decline in imports coincided with a 15.2% rise in exports. The fall in imports was due to a \$16.3mn contraction in imports for domestic consumption as significant declines were recorded in the purchases of machinery, transport equipment, food and chemical products, while electricity imports grew by 40.9% to \$13.1mn. Imports into the Commercial Free Zone (CFZ) remained steady at around \$31.0mn.

The export recovery was across the board with increases of \$18.0mn in domestic exports, \$7.0mn in commercial free zone (CFZ) sales and \$2.1mn in re-exports. A surge in petroleum earnings and more modest increases in revenues from citrus,

Table 3.1: Balance of Payments Summary

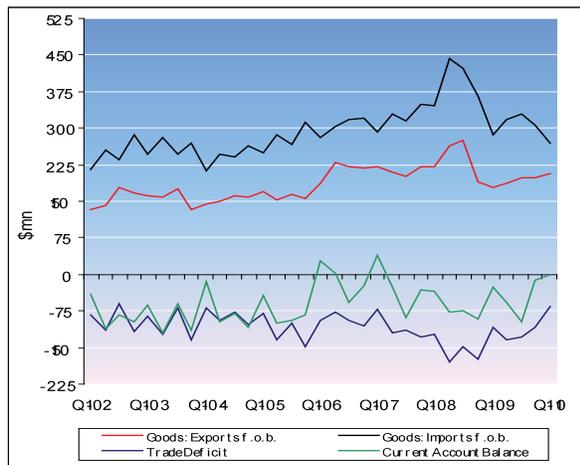
BZ\$m

	Jan-Mar 2009 ^R	Jan-Mar 2010 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-25.4	-1.3
I. Goods (Trade Balance)	-108.9	-65.2
Exports, f.o.b.	178.5	205.5
Domestic Exports	116.2	134.2
CFZ Gross Sales	59.0	66.0
Re-exports	3.3	5.4
Imports, f.o.b.	287.4	270.7
Domestic Imports	256.5	240.2
CFZ Imports	30.9	30.6
II. Services	127.6	150.5
Transportation	-13.9	-9.8
Travel	142.8	156.3
Other Services	-1.2	4.0
III. Income	-78.7	-122.8
Compensation of Employees	-2.2	-2.5
Investment Income	-76.4	-120.3
IV. Current Transfers	34.6	36.2
Government	-1.2	-5.3
Private	35.8	41.4
B. CAPITAL & FINANCIAL ACCOUNT		
(I+II)	29.2	-46.1
I. Capital Account	7.2	6.6
II. Financial Account (1+2+3+4)	22.0	-52.7
1. Direct Investment in Belize	62.5	37.9
2. Portfolio Investment	-2.6	-2.8
Monetary Authorities	0.0	0.0
General Government	-2.5	-2.7
Banks	0.0	0.0
Other Sectors	-0.2	-0.1
3. Financial Derivatives	0.0	0.0
4. Other Investments	-37.8	-87.8
Monetary Authorities	13.3	0.0
General Government	13.4	-9.1
Banks	-40.4	-70.6
Other Sectors	-24.1	-8.1
C. NET ERRORS & OMISSIONS	-0.7	33.7
D. OVERALL BALANCE	3.1	-13.6
E. RESERVE ASSETS⁽¹⁾	-3.1	13.6

P- indicates Provisional,
R- indicates Revised
(1) Minus = increase



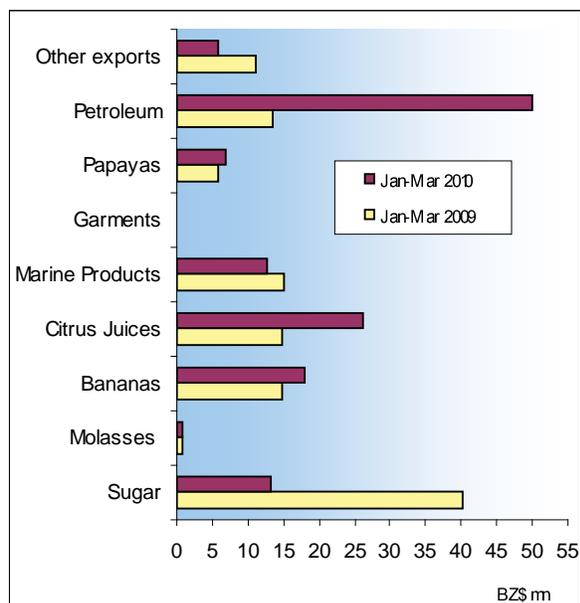
Chart 3.1: Current Account vs. Trade Deficit



banana, papaya and molasses boosted domestic exports in the review period.

Production problems led to a 36.2% reduction in sugar export volume, while receipts fell by 52.8% to \$13.1mn as the final scheduled EU price cut (from €448.8 to €335.14 per metric ton) took effect in October 2009. The supply shortfall

Chart 3.2: Domestic Exports



once again prompted the industry to direct virtually all sales (except for 20 long tons that went to Canada) to the EU that remained the preferred and more stable market, even with the price cut. Another incentive to selling into the EU has been the 'Fair Trade' premium paid on sugar sales that can be used to fund developmental projects in the sugar cane production belt.

Citrus juice exports rose by 47.5% to 11.2mn pound solids (ps), while revenues jumped by 77.7% to \$26.3mn, fuelled by the rise in volume and price improvements for orange and grapefruit juices in key markets. Sales of orange concentrate rose by 40.4% to 9.6mn ps, while revenues surged by 70.0% due to a price rally in the United States (US) that was influenced by the market's expectation of tighter orange juice supplies. While the volume sold to the Caribbean rose by 28.9%, the rise in revenues was less than expected due to a fall in the average unit price. Sales recommenced to Europe during the quarter in response to more favourable prices. In contrast, revenue from the Japanese market shrank by 46.6% with declines in volume and price. Meanwhile, the export volume of grapefruit concentrate almost doubled with higher sales to Japan and Europe, and price improvements caused a more than doubling in revenues. Earnings from the Caribbean remained stable, and sales into the US market recommenced.

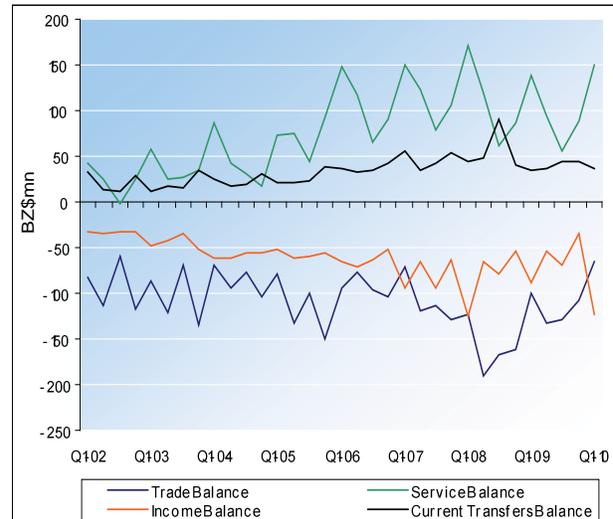


Marine export volume fell by 25.5% to 3.0mn pounds, and receipts consequently contracted by 15.7% to \$12.7mn, the latter being largely due to a significant contraction in shrimp exports, and to a lesser extent, volume declines in lobster, conch and fish.

In line with production and price improvements, banana export volume rose by 16.2%, and receipts increased by 21.8% to \$18.1mn. The volume of petroleum exports increased by 56.9% to 391,874 barrels while earnings jumped more than three-fold to \$50.1mn as a pick up in global demand for crude oil coupled with the concerted efforts of OPEC to limit output pushed the average f.o.b. price per barrel from US\$27.19 to US\$63.94. Revenues from papaya were up by 24.4% to \$7.0mn as export volume continued to rebound from flood and storm damages. Receipts from other miscellaneous exports fell by 47.7% to \$5.8mn due to lower sales of non-traditional exports, citrus oils, fresh oranges and black eye peas.

Higher inflows from tourism and other services were the main cause of the 18.0% growth in the surplus on the service account, which at the end of the first quarter stood at \$150.5mn. Travel receipts rose by 9.5% to \$156.3mn due to an increase in tourism earnings. At the same time, inflows from other services increased to \$4.0mn because of greater inflows for telecommunication services and to embassies and other

Chart 3.3: Service, Income, and Current Transfers Balances



regional organizations. Net outflows from transportation services declined by 29.9% to \$9.8mn due to reduced outlays for international freight charges and increased earnings by shipping agents.

In contrast to the first quarter of 2009, there was a 56.1% rise in net outflows on the income account that largely reflected increased profit repatriation by the tourism and petroleum industries. Net inflows from current transfers climbed by 4.5% to \$36.2mn mostly due to a \$4.8mn rise in remittances.

The capital and financial account recorded a deficit of \$46.1mn in contrast to the \$29.2mn surplus realized during the first quarter of 2009. Net capital inflows were slightly lower this year with the end of the UK debt relief program in 2009 and donations that amounted to only \$5.8mn.



The financial account deficit amounted to \$52.7mn and resulted from a 39.4% fall in foreign direct investment and net loan repayments by government, the private sector and commercial banks. In other developments, commercial banks also built up their foreign exchange holdings abroad.



GOVERNMENT OPERATIONS AND PUBLIC DEBT

The last quarter of fiscal year (FY) 2009/2010 (January to March 2010) saw a year-on-year rebound in Government's revenue of 15.3% (\$25.1mn) and a decline of 3.8% in expenditure. The boost in revenue came from capital revenues that were bumped up by the receipt of \$6.9mn in working interest from petroleum operations and an \$18.0mn hike in tax collections. The increase in import duties on fuel that became effective on 1 April 2009 yielded the largest growth in tax receipts, followed by a pick-up in GST collections. Meanwhile, receipts from the petroleum industry accounted for a 9.0% growth in income taxes. Non-tax revenues remained stable at some \$26.8mn and included receipts of \$3.0mn from BSSB for old loans and \$4.1mn in royalties from the petroleum industry. Grant inflows totaled \$5.3mn with \$5.0mn coming from the US Government for the National Coast Guard.

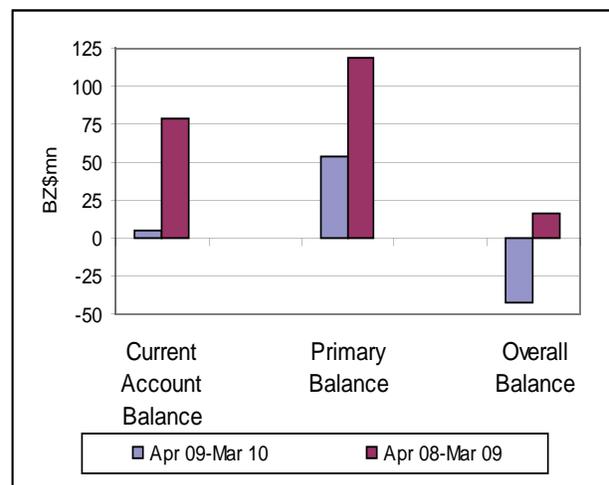
The contraction in expenditure was attributed to a 33.7% reduction in the capital budget, the bulk of these cuts occurring in locally funded projects. A 3.3% increase in current outlays was due to wages, salaries, pensions, subsidies and current transfers, as spending on goods, services and interest payments decreased, with the latter reflecting lower Caribbean Development Bank (CDB) and

LIBOR interest rates.

The last quarter fiscal position consequently improved with the current deficit decreasing from \$24.7mn in 2009 to \$12.3mn, the primary balance swinging from a deficit of \$24.2mn in 2009 to a modest surplus of \$8.3mn, and the overall deficit more than halving from \$61.7mn in 2009 to \$28.0mn. Domestic financing was mainly through the drawing down of Government's deposits at the Central Bank.

For the entire 2009/2010 fiscal year, revenue collections were down by 7.7%, due mostly to a sizeable reduction in grant receipts, the non-recurrence of the previous year's \$20.0mn refund of Venezuelan monies, a slump in GST collections reflective of the sluggish economy and the fall in property income due to the prior year transfer of Central Bank profits. A concurrent slash

Chart 4.1: GOB Fiscal Operations





in Government's capital outlays kept expenditures slightly on par with that of FY 2008/09, and the net results were current and primary surpluses of 0.2% and 2.0% of GDP, respectively, and an overall deficit of 1.6% of GDP. The latter was financed from external (\$32.2mn) and domestic (\$13.8mn) sources.

interest from petroleum production. While grant receipts were half that of the previous fiscal year, notable inflows included \$18.0mn from the CARICOM Petroleum Fund for flood rehabilitation efforts, \$6.7mn from the European Union for banana and sugar support, \$5.0mn from the US Government to build a

Table 4.1: Central Government's Revenue & Expenditure

BZ\$mnn

	Jan-10 Mar-10	Jan-09 Mar-09	Apr-09 Mar-10	Apr-08 Mar-09
Total Revenue & Grants	189.0	163.9	723.9	784.0
<i>of which: Current Revenue</i>	175.7	157.3	672.3	712.6
<i>of which: Grants</i>	5.3	5.9	33.7	67.0
Total Expenditure	216.9	225.6	766.4	767.5
Current Expenditure	188.0	181.9	667.8	633.8
Capital Expenditure	28.9	43.6	98.6	133.6
Current Balance	-12.3	-24.7	4.5	78.8
Primary Balance	8.3	-24.2	53.2	118.9
Overall Balance	-28.0	-61.7	-42.5	16.6

The 5.7% slump in current revenues was traceable to non-tax revenues, since tax collections inched up by 0.1%. The relative stability in the latter was maintained by higher receipts from business tax and import duties that just offset notable reductions in collections from the GST and Revenue Replacement Duties. Changes in tax rates on casinos and banks operating under PIC status contributed to the boost in business tax collections while import duties benefitted from the hike in duty charged on imported fuel. Other notable inflows included \$13.1mn in working

headquarter and base for the National Coast Guard and \$2.0mn from the Venezuelan Government for agriculture.

Current outlays rose by \$34.0mn with wages and salaries accounting for 69.0% of the increase due to payment of increments and the hiring of more professionals in education, health and national security. Outlays on goods and services rose by \$8.5mn because of contracts, consultancies, materials, supplies, public utilities and maintenance. Transfer payments to educational institutions, the Karl Heusner Memorial



Table 4.2: Summary of Central Government's Revenue

BZ\$m

	Jan-10 Mar-10	Jan-09 Mar-09	Apr-09 Mar-10	Apr-08 Mar-09
Current revenue	175.7	157.3	672.3	712.6
Tax revenue	148.9	131.0	594.9	594.2
Income and profits	53.3	49.0	207.1	196.7
Taxes on property	1.5	1.3	5.3	6.3
Taxes on goods & services	54.4	48.0	217.1	236.9
Int'l trade and transactions	39.7	32.7	165.4	154.3
Non-Tax Revenue	26.8	26.3	77.5	118.4
Property income	6.0	10.0	7.2	24.1
Licenses	4.4	4.5	12.4	14.7
Other	16.3	11.8	57.9	79.6
Capital revenue	7.9	0.7	17.9	4.4
Grants	5.3	5.9	33.7	67.0

Hospital and other statutory bodies increased as well. While accounting for 12.5% of total expenditure, interest payments were \$6.6mn lower due to the already mentioned lowering of CDB and LIBOR interest rates.

Development expenditures amounted to only 57.6% of the approved budget as progress on major projects such as the Belize Sports Center, health reform, solid waste management, sustainable tourism, and EU funded rural development was

Table 4.3: Central Government's Expenditure

BZ\$m

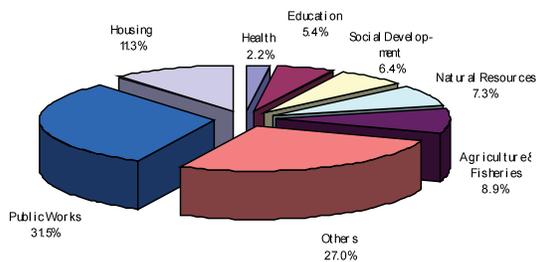
	Jan-10 Mar-10	Jan-09 Mar-09	Apr-09 Mar-10	Apr-08 Mar-09
Current Expenditure	188.0	181.9	667.8	633.8
Wages & Salaries	69.5	64.4	273.7	250.1
Pensions	12.6	11.1	48.1	47.5
Goods & Services	46.5	48.7	157.2	148.7
Interest Payments	36.2	37.5	95.7	102.3
of which: External	6.3	6.5	71.4	79.5
Subsidies & current transfers	23.1	20.2	93.0	85.1
Capital Expenditure	28.9	43.6	98.6	133.6
Capital II	17.5	31.8	53.6	78.8
Capital III	10.6	11.0	40.7	51.7
Net lending	0.8	0.8	4.4	3.2



hindered by conditionalities that delayed the disbursement of funds. Infrastructural projects accounted for 31.5% of total outlays and covered roads, culverts, causeways, upgrading of the Placencia Road, the completion of the Southern Highway and infrastructural works under the Poverty Alleviation Project.

The agricultural sector benefited from initiatives such as the EU Sugar and Banana Support Programs, while the allotment to natural resources was mostly for the land development program and payments to landowners for their

Chart 4.2: GOB Development Expenditure for FY 2009/10



share of petroleum royalties. Housing projects received 11.3%, and 5.4% went on education, including funding for the Technical and Vocational Training Project. Social development received 6.4% under the Commonwealth Debt Initiative. Other notable outlays went on National Security, contributions to international agencies and the purchase of vehicles and parts.

Central Government's Domestic Debt

Central Government's domestic debt increased by 0.5% to \$318.7mn during the first quarter, reflecting an \$0.8mn expansion in its overdraft balance with the Central Bank and the shift of \$1.0mn in Treasury notes from an external to a domestic liability. Amortization payments of \$0.2mn went to the Belize Social Security Board (BSSB).

Interest expenditures of \$6.3mn included payments to the Central Bank of \$3.4mn on the overdraft facility and \$1.1mn on Treasury notes and Defence bond holdings. Commercial banks also received \$0.8mn on Treasury bills, while

Table 4.4: Central Government's Domestic Debt

BZ\$m

	Dec 2009	Mar 2010	Changes in Stock
Overdraft	124.8	125.6	0.8
Loans	11.4	11.3	-0.1
Treasury Bills	100.0	100.0	0.0
Treasury Notes	70.8	71.8	1.0
Defence Bonds	10.0	10.0	0.0
Total	317.0	318.7	1.7

non-bank entities received \$0.9mn on Treasury notes.

In the secondary market, Central Bank sold \$0.2mn worth of Treasury bills to commercial banks and non-bank entities, while acquiring \$1.0mn in Treasury notes. At the end of March,



the Central Bank held 53.9% of Central Government's domestic debt, of which the short and long term portions were \$125.6mn and \$46.1mn, respectively. Commercial banks and non-bank entities held 34.0% and 12.1%, respectively, with the commercial banks holding \$98.5mn in Treasury bills (short-term debt) and \$10.0mn in Treasury notes (long-term debt). Non-bank entities held \$25.7mn in long term Treasury notes and \$1.5mn in Treasury bills.

Public Sector External Debt

The public sector's external debt fell by 0.8% to \$2,015.9mn during the first three months, as amortization payments of \$19.7mn and downward valuation adjustments exceeded disbursements of \$7.8mn. New borrowings came mostly from multilateral sources, of which \$6.4mn was from CDB for the Health Reform Program, the Social Investment Fund, the Placencia Road upgrading project, the Development Finance Corporation (DFC) seed fund and bridge rehabilitation.

Central Government amortized \$8.5mn to bilateral creditors including \$7.1mn to the ROC/Taiwan for housing and highway rehabilitation. Multilateral creditors received \$6.5mn, including \$2.1mn to CDB and \$2.0mn each to IBRD and Inter-American Development Bank (IDB). Provident Bank & Trust redeemed \$1.0mn worth of Treasury notes. The

Table 4.5: Public Sector's External Debt

BZ\$m

	DOD at: 31/12/09	DOD at: 31/03/10	Change in Debt Stock
Central Government	1,882.4	1,873.0	-9.4
Bilateral	349.1	340.5	-8.6
Multilateral	438.8	438.9	0.1
Bonds	1,093.5	1,093.5	0.0
Commercial Banks	1.0	0.0	-1.0
Export Credit	0.0	0.0	0.0
Rest of NFPS	32.6	32.0	-0.6
Bilateral	5.2	5.2	0.0
Multilateral	26.9	26.3	-0.6
Commercial Banks	0.5	0.5	0.0
Export Credit	0.0	0.0	0.0
Financial Public Sector	116.3	110.9	-5.4
Bilateral	0.9	0.9	0.0
Multilateral	85.4	82.7	-2.7
Bonds	30.0	27.3	-2.7
Export Credit	0.0	0.0	0.0
Grand Total	2,031.3	2,015.9	-15.4

non-financial public sector amortized \$0.6mn to CDB, and the financial public sector repaid \$3.1mn, of which \$2.7mn went to the Belize Mortgage Company for the North American Securitization.

Of the \$31.0mn in interest payments, Central Government paid \$23.4mn on the 'super bond'. Additionally, bilateral and multilateral creditors received \$3.5mn and \$3.0mn, respectively. The non-financial public sector made interest payments totaling \$0.2mn to the CDB, while the financial public sector paid \$0.7mn to the Belize Mortgage Company and a combined \$0.1mn to CDB and the IMF.

The value of the outstanding debt stock fell by \$3.6mn as the US dollar



appreciated against the SDR, Euro and Kuwait dinar, reducing the value of loans denominated in these currencies.



ANNEX I



Table 5.1: Money Supply

	Position as at Mar 2010	Changes during	
		Dec 2009 to Mar 2010	Dec 2008 to Mar 2009
Money Supply (M2)	2,110.7	17.5	88.4
Money Supply (M1)	750.7	37.3	29.2
Currency with the Public	149.3	-5.3	-5.4
Demand Deposits	413.2	36.5	31.6
Savings/Cheque Deposits	188.2	6.1	3.0
Quasi-Money	1,360.0	-19.8	59.2
Savings Deposits	186.1	4.7	5.1
Time Deposits	1,173.9	-24.5	54.1



Table 5.2: Net Domestic Credit

BZ\$m

	Position as at Mar 2010	Changes during	
		Dec 2009 to	Dec 2008 to
		Mar 2010	Mar 2009
Total Credit to Central Government	280.2	1.7	-9.8
From Central Bank	171.7	1.6	-28.6
Loans and Advances	125.6	0.8	-0.6
Gov't Securities ⁽¹⁾	46.1	0.8	-28.0
From Commercial Banks	108.5	0.1	18.8
Loans and Advances	0.0	0.0	-6.2
Gov't Securities	108.5	0.1	25.0
(of which) Treasury Bills	98.5	0.1	10.0
Treasury Notes	10.0	0.0	15.0
Other	0.0	0.0	0.0
Less Central Government Deposits	54.4	-31.5	-49.7
With Central Bank	37.2	-31.8	-60.3
With Commercial Banks	17.2	0.3	10.6
Net Credit to Central Government	225.8	33.2	39.9
Credit to Other Public Sector	9.1	-1.0	-2.7
From Central Bank	0.0	0.0	0.0
From Commercial Banks	9.1	-1.0	-2.7
(of which) Local Government	6.0	-0.2	-0.5
Public Financial Institutions	0.0	0.0	-1.3
Public Utilities	0.0	0.0	0.0
Other Statutory Bodies	3.2	-0.8	-0.9
Securities	0.0	0.0	0.0
Plus Credit to the Private Sector	1,725.6	-74.0	-9.1
Loans and Advances	1,724.3	-74.0	-9.2
Securities	1.3	0.0	0.1
Net Domestic Credit of the Banking System⁽²⁾	1,960.5	-41.8	28.1

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

(2) Differences due to rounding



Table 5.3: Sectoral Composition of Commercial Banks' Loans and Advances

BZ\$mn

	Position as at Mar 2010	Changes during	
		Dec 2009 to Mar 2010	Dec 2008 to Mar 2009
PRIMARY SECTOR	201.4	8.2	1.5
Agriculture	140.0	5.9	1.4
Sugar	16.7	-1.1	-1.0
Citrus	19.1	2.2	1.4
Bananas	78.5	1.5	2.4
Other	25.7	3.3	-1.4
Marine Products	35.4	1.7	1.6
Forestry	2.7	0.3	0.0
Mining & Exploration	23.3	0.3	-1.5
SECONDARY SECTOR	504.6	-45.7	32.4
Manufacturing	52.0	2.4	1.2
Building & Construction	429.6	-47.8	32.0
Utilities	23.0	-0.3	-0.8
TERTIARY SECTOR	660.0	-27.5	-43.2
Transport	57.2	-18.7	2.1
Tourism	132.5	2.7	-8.6
Distribution	217.7	-4.9	-14.3
Other ⁽¹⁾	252.6	-6.6	-22.4
Personal Loans	364.4	-10.0	-8.9
TOTAL	1,730.4	-75.0	-18.2

(1) Includes government services, real estate, financial institutions professional services, and entertainment.



Table 5.4: Commercial Banks' Liquidity Position and Cash Reserves

BZ\$mn

	Position as at Mar 2010	Changes during	
		Dec 2009 to Mar 2010	Dec 2008 to Mar 2009
Holdings of Approved Liquid Assets	611.7	60.4	81.6
Notes and Coins	46.9	-3.8	4.6
Balances with Central Bank	261.1	30.9	37.0
Money at Call and Foreign Balances (due 90 days)	189.0	54.3	18.6
Treasury Bills maturing in not more than 90 days	98.5	0.5	13.5
Other Approved assets	16.2	-21.5	7.9
of which: Treasury Notes	0.0	-21.2	0.0
Required Liquid Assets	454.1	7.7	16.2
Excess/(Deficiency) Liquid Assets	157.6	52.7	65.4
Daily Average holdings of Cash Reserves	260.4	26.4	39.2
Required Cash Reserves	197.4	3.4	7.1
Excess/(Deficiency) Cash Reserves	63.0	23.0	32.1

Table 5.5: Commercial Banks' Weighted Average Interest Rates

Percentages

	Position as at Mar 2010	Changes during	
		Dec 2009 to Mar 2010	Dec 2008 to Mar 2009
Weighted Lending Rates			
Personal Loans	16.03	0.75	-0.18
Commercial Loans	13.47	-0.05	-0.04
Residential Construction	12.65	-0.61	-0.10
Other	13.79	2.50	0.62
Weighted Average	13.98	0.00	-0.03
Weighted Deposit Rates			
Demand	0.59	-0.13	-0.13
Savings/ Cheque	5.02	0.02	-0.04
Savings	5.27	0.03	0.01
Time	7.90	-0.27	-0.02
Weighted Average	5.81	-0.31	-0.09
Weighted Average Spread	8.17	0.31	0.06



Table 5.6: GDP by Activity at Constant 2000 Prices (BZ\$ million)

BZ\$m

	2009				2010
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
Agriculture, hunting & forestry	65.3	64.3	48.0	42.6	67.6
Fishing	14.8	13.8	12.6	15.7	11.1
Manufacturing (incl. mining & quarrying)	75.2	89.1	59.6	62.8	81.3
Electricity & water	15.9	24.9	41.9	28.9	16.6
Construction	27.3	28.2	26.4	28.5	28.9
Wholesale & Retail	77.0	84.8	80.5	80.7	78.6
Hotels & Restaurants	27.3	21.3	15.9	18.8	29.8
Transport & communication	68.0	65.6	60.5	61.4	68.4
Other private services exc. FISIM	99.6	100.1	100.8	100.2	103.6
Producers of government services	56.7	51.4	46.3	58.9	60.7
All industries at basic prices	527.2	543.6	492.4	498.6	546.5
Taxes on products	75.4	82.8	78.8	78.7	76.4
GDP at market prices	602.6	626.4	571.2	577.3	622.9

Source: Statistical Institute of Belize

Table 5.7: Percentage Change of GDP by Activity at Constant 2000 Prices

	Quarter-on-quarter growth (%)		
	Q1-08	Q1-09	Q1-10
	Over Q1-07	Over Q1-08	Over Q1-09
Agriculture, hunting & forestry	-2.5	-11.3	3.2
Fishing	-18.7	4.2	-25.0
Manufacturing (incl. mining & quarrying)	-10.2	4.1	9.8
Electricity & water	-27.3	2.7	4.1
Construction	32.5	28.8	5.7
Wholesale & Retail	4.3	-8.6	2.0
Hotels & Restaurants	-5.6	-11.1	9.3
Transport & communication	5.0	-2.9	0.5
Other private services exc. FISIM	3.9	2.9	4.0
Producers of government services	6.0	6.7	7.1
All industries at basic prices	-0.4	-0.9	3.8
Taxes on products	3.2	-10.1	1.3
GDP at market prices	0.1	-2.1	3.5

Source: Statistical Institute of Belize



**Table 5.8: Percent Variation in Consumer Price Index (CPI)
Commodity Group**

Major Commodity Group	Weight	Quarterly Change					Annual Change
		Feb-09	May-09	Aug-09	Nov-09	Feb-10	
Food, Beverage & Tobacco	346.6	0.4	-3.7	-0.7	-0.6	-0.1	-4.9
Clothing & Footwear	92	-0.3	0.2	0.4	-0.5	0.4	0.5
Rent, Water, Fuel, & Power	167.6	-4.2	-0.8	2	1.4	1.4	4.1
Household goods & maintenance	85.3	-0.1	-0.2	0.3	0	0	0.2
Medical care	20.1	0.6	-0.1	0.1	0.9	-0.7	0.3
Transport & Communication	170.1	-6	8.8	3.5	2.6	-0.3	15.2
Recreation, Education & Culture	80.4	0.2	0	0.1	0.2	0.1	0.4
Personal care	37.9	-0.6	0.5	0.1	0.2	-0.3	0.5
ALL ITEMS	1,000.0	-1.6	-0.1	0.8	0.5	0.2	1.4

Source: Statistical Institute of Belize

Table 5.9: Gross Imports (CIF) by SITC

BZ\$'000

SITC Section	Jan-Mar 2009	Jan-Mar 2010
0. Food and Live Animals	38,749	35,901
1. Beverages and Tobacco	4,031	3,971
2. Crude Materials	3,061	3,398
3. Minerals, Fuels and Lubricants	44,338	60,822
<i>of which electricity</i>	9,270	13,062
4. Oils and Fats	1,398	954
5. Chemical Products	26,680	25,506
6. Manufactured Goods	44,434	43,270
7. Machinery and Transport Equipment	76,840	56,078
8. Other Manufactures	21,323	20,327
9. Commodities N.E.S	-	-
10. Export Processing Zones	23,897	16,794
11. Commercial Free Zone	33,973	33,575
12. Personal Goods	631	846
Total	319,355	301,443

Source: Statistical Institute of Belize, Central Bank of Belize



Table 5.10: Balance of Payments

BZ\$mn

	Jan-Mar 2009 ^R	Jan-Mar 2010 ^P
CURRENT ACCOUNT	-25.4	-1.3
Goods: Exports f.o.b.	178.5	205.5
Goods: Imports f.o.b.	-287.4	-270.7
Trade Balance	-108.9	-65.2
Services: Credit	199.4	224.6
Transportation	11.4	14.1
Travel	159.4	171.8
Other Goods & Services	16.7	22.3
Gov't Goods & Services	11.9	16.4
Services: Debit	-71.8	-74.1
Transportation	-25.4	-23.9
Travel	-16.6	-15.5
Other Goods & Services	-25.4	-30.6
Gov't Goods & Services	-4.4	-4.1
Balance on Goods & Services	18.6	85.3
Income: Credit	2.3	2.2
Compensation of Employees	1.2	1.2
Investment Income	1.1	1.0
Income: Debit	-81.0	-125.0
Compensation of Employees	-3.4	-3.7
Investment Income	-77.6	-121.3
Balance on Goods, Services & Income	-60.0	-37.5
Current Transfers: Credit	46.0	51.3
Current Transfers: Debit	-11.5	-15.2
CAPITAL ACCOUNT	7.2	6.6
Capital Account: Credit	7.3	6.7
Capital Account: Debit	-0.1	-0.1
FINANCIAL ACCOUNT	22.0	-52.7
Direct Investment Abroad	-0.1	-0.5
Direct Investment in Reporting Economy	62.6	38.4
Portfolio Investment Assets	-0.2	-0.1
Portfolio Investment Liabilities	-2.5	-2.7
Financial Derivatives	0.0	0.0
Other Investment Assets	7.2	-45.0
Other Investment Liabilities	-45.0	-42.8
NET ERRORS & OMISSIONS	-0.7	33.7
OVERALL BALANCE	3.1	-13.6
RESERVE ASSETS⁽¹⁾	-3.1	13.6

Source: Central Bank of Belize

(1) Minus = Increase

P: Indicates Provisional

R: Indicated Revised



Table 5.11: Private Sector External Debt by Economic Sector ⁽¹⁾

BZ\$'000

Economic Sectors	DOD at 31/12/09	Transactions (January to March '10)			DOD as at 31/03/10
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agricultural Production	6,635	0	918	43	5,717
Air Transport	60,425	0	2,967	774	57,233
Banana	915	0	0	0	915
Citrus	56,296	0	1,361	510	54,935
Development of Port Facilities	59,943	0	0	1,614	59,943
Education & Training	264	0	0	10	264
Energy (Electricity)	121,236	0	2,735	654	118,501
Ground Transport	2,158	0	42	18	2,116
Land (Purchase & Development)	364	0	0	0	364
Marine Products	133,711	0	2,360	1,559	131,351
Maritime Transport	2,036	0	107	17	1,929
Telecommunications	45,502	0	0	0	45,502
Tourism & Hotel Industry	47,444	187	1,475	578	46,155
Other	5,223	0	20	11	5,203
Grand Total	542,150	187	11,986	5,788	530,126

(1) The loans only cover that portion of the private sector debt that is reported to the Central Bank of Belize.



Table 5.12: Central Government's Revenue and Expenditure

BZ\$'000

	Approved Budget 2009/2010	Jan-10 to Mar-10	Jan 09 to Mar-09	Apr-09 to Mar-10	Apr 08 to Mar-09	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	807,330	188,959	163,855	723,891	784,036	89.7%
1). Current revenue	751,271	183,652	157,932	672,327	712,607	89.5%
Tax revenue	670,112	148,929	130,962	594,850	594,196	88.8%
Income and profits	210,472	53,306	48,952	207,080	196,674	98.4%
Taxes on property	7,706	1,462	1,348	5,262	6,323	68.3%
Taxes on goods and services	261,525	54,431	47,950	217,097	236,939	83.0%
Int'l trade and transactions	190,409	39,730	32,712	165,411	154,259	86.9%
Non-Tax Revenue	81,158	26,778	26,316	77,476	118,412	95.5%
Property income	10,734	6,021	10,006	7,176	24,113	66.8%
Licenses	9,447	4,449	4,480	12,429	14,684	131.6%
Other	60,977	16,308	11,829	57,872	79,614	94.9%
2). Capital revenue	5,600	7,945	655	17,901	4,383	319.7%
3). Grants	50,459	5,307	5,922	33,663	67,046	66.7%
TOTAL EXPENDITURE (1+2)	856,426	216,910	225,558	766,438	767,480	89.5%
1). Current Expenditure	689,760	187,997	181,943	667,810	633,842	96.8%
Wages and Salaries	276,521	69,486	64,358	273,658	250,104	99.0%
Pensions	43,916	12,597	11,148	48,146	47,528	109.6%
Goods and Services	169,386	46,530	48,680	157,228	148,721	92.8%
Interest Payments on Public Debt	105,942	36,244	37,528	95,743	102,344	90.4%
Subsidies & current transfers	93,996	23,140	20,229	93,036	85,144	99.0%
2). Capital Expenditure	166,665	28,913	43,615	98,628	133,638	59.2%
Capital II (local sources)	63,379	17,482	31,843	53,577	78,766	84.5%
Capital III (foreign sources)	100,078	10,629	10,970	40,657	51,666	40.6%
Capital Transfer & Net Lending	3,208	802	802	4,394	3,207	137.0%
CURRENT BALANCE	61,510	(12,291)	(24,666)	4,516	78,766	7.3%
Primary Balance	56,846	8,293	(24,175)	53,195	118,901	93.6%
OVERALL BALANCE	(49,096)	(27,951)	(61,703)	(42,548)	16,556	86.7%
PB less Grants	6,386	2,986	(30,097)	19,532	51,855	305.8%
OB less Grants	(99,555)	(33,258)	(67,625)	(76,211)	(50,490)	76.6%
FINANCING		27,951	61,703	42,548	(16,556)	
Domestic Financing		33,697	36,790	13,812	(24,205)	
Central Bank		33,549	31,693	(80)	(79,858)	
Net Borrowing		1,689	(28,626)	(11,888)	(91,305)	
Change in Deposits		31,860	60,319	11,808	11,446	
Commercial Banks		(261)	8,211	(4,457)	47,299	
Net Borrowing		52	18,762	(5,253)	53,758	
Change in Deposits		(313)	(10,551)	796	(6,459)	
Other Domestic Financing		409	(3,114)	18,348	8,354	
Financing Abroad		(8,199)	20,096	32,196	7,354	
Disbursements		7,828	35,685	102,094	88,890	
Amortization		(16,027)	(15,589)	(69,898)	(81,536)	
Other		2,453	4,817	(3,460)	295	

Source: Ministry of Finance and Central Bank of Belize



Table 5.13: Central Government's Domestic Debt by Creditor ⁽¹⁾

\$'000

	Disbursed Outstanding Debt 31/12/09	Transactions (January to March 2010)				Disbursed Outstanding Debt 31/03/10
		Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft / Loans	124,769	0	0	3,385	846	125,615
Central Bank	124,769	0	0	3,385	846	125,615
Commercial Banks	0	0	0	0	1038	1,038
Treasury Bills	100,000	0	0	780	0	100,000
Central Bank	158	0	0	1	-157	1
Commercial Banks	98,420	0	0	772	52	98,472
Other	1,422	0	0	7	105	1,527
Treasury Notes	70,800	0	0	1,598	1000	71,800
Central Bank	35,096	0	0	683	1,000	36,096
Commercial Banks	10000	0	0	0	0	10,000
Other	25,704	0	0	914	0	25,704
Defence Bonds	10,000	0	0	400	0	10,000
Central Bank	10,000	0	0	400	0	10,000
Commercial Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
BSSB Loan⁽²⁾	5,377	0	196	101	0	5,181
GOB (debt for Nature Swap)	5,103	0	0	0	0	5,103
Guardian Life Bze \$1mn Loan	1,000	0	0	45	0	1,000
Total	317,048	0	196	6,308	1,846	318,698

(1) The transaction associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

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



Table 5.14: Public Sector External Debt by Creditor ⁽¹⁾

	DOD at: 31/12/2009	Transaction (January to March 2010)				DOD at: 31/03/2010
		Disburse- ments	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	1,882,466	7,828	16,027	30,056	-1,278	1,872,990
Banco Nacional de Comercio Exterior	5,844	0	373	181	0	5,470
Fondo de Financ. de las Exportaciones	0	0	0	0	0	0
Government of the United States ⁽²⁾	1,733	0	188	5	0	1,545
Government of Trinidad and Tobago	4	0	0	0	0	4
Government of Venezuela	39,527	28	0	28	0	39,555
Kuwait Fund for Arab Economic Dev	18,293	0	0	1	-121	18,173
Republic of China	281,148	0	7,096	3,207	0	274,053
Caribbean Development Bank	171,237	6,411	2,096	1,585	0	175,552
European Economic Community	16,917	0	0	0	-1,144	15,773
European Investment Bank	195	0	0	0	-13	182
Inter-American Development Bank	204,526	1,389	1,974	1,266	0	203,942
International Fund for Agric. Dev.	901	0	68	12	0	833
Intl. Bank for Reconstruction & Dev.	30,502	0	1,966	155	0	28,535
Opec Fund for Int'l. Development	14,514	0	400	75	0	14,114
BWS Finance Limited	0	0	0	0	0	0
Manufacturers & Traders Trust Co.	2,595	0	865	73	0	1,730
Provident Bank & Trust of Belize	1,000	0	1,000	45	0	0
Bear Stearns & Co.	5,916	0	0	0	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	23,424	0	1,087,613
NON-FINANCIAL PUBLIC SECTOR	32,565	0	556	241	-35	31,974
Kuwait Fund for Arab Economic Dev	5,228	0	0	0	-35	5,194
Deutsche Bank	471	0	0	0	0	471
Caribbean Development Bank ⁽³⁾	26,866	0	556	241	0	26,310
FINANCIAL PUBLIC SECTOR	116,265	0	3,103	760	-2,268	110,893
Caribbean Development Bank	13,695	0	391	60	0	13,304
European Economic Community	501	0	0	0	-34	467
European Investment Bank	332	0	0	0	0	332
Paine Webber Real Estate Securities Inc.	900	0	0	0	0	900
Belize Mortgage Company	29,995	0	2,712	666	0	27,283
International Monetary Fund	70842	0	0	34	-2,235	68,607
Government of the United States	0	0	0	0	0	0
GRAND TOTAL	2,031,296	7,828	19,686	31,057	-3,581	2,015,857

(1) Guaranteed Outstanding external debt of private entities remain a contingent liability of Central Government and are not reported on this table.

(2) USAID Debt for Nature Swap Agreement as at 2nd August, 2001 was implemented on 30th November, 2001 for BZ \$17,168.

(3) Loans for the Water Company were re-classified as part of the non-financial public sector after the GOB bought the majority shares in the company on 3rd October 2005.

(4) IMF allocations of SDR\$17.9mn is included as part of financial public debt stock of external obligations as of August 2009.