



CENTRAL BANK
of BELIZE

QUARTERLY REVIEW



JUNE 2016

VOLUME 40 No. 2

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ISSN 1025 1634 (PRINT)
ISSN 2304 6902 (ONLINE)

Typeset at the Central Bank of Belize

List of Acronyms and Abbreviations

Acronyms:

BEL	Belize Electricity Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance and Freight
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
GST	General Sales Tax
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MOF	Ministry of Finance
OPEC	Organisation of Petroleum Exporting Countries
ROC/Taiwan	Republic of China/Taiwan
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
UHS	Universal Health Services
UK	United Kingdom
US	United States
VPCA	Venezuelan Petrocaribe Agreement
UNWTO	World Tourism Organization

Abbreviations and Conventions:

\$	refers to the Belize dollar unless otherwise stated
bn	denotes billion
mn	denotes million
ps	Pound solids

Notes:

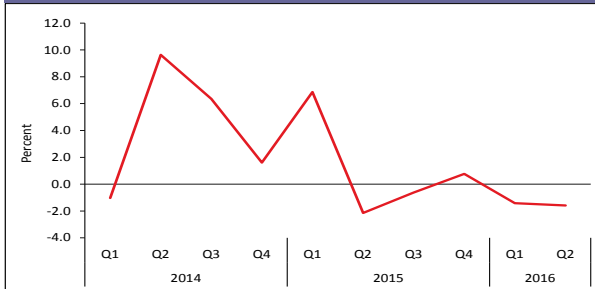
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2016 figures in this report are provisional and the figures for 2015 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2016 are based on Central Bank's forecast of annual GDP 2016.

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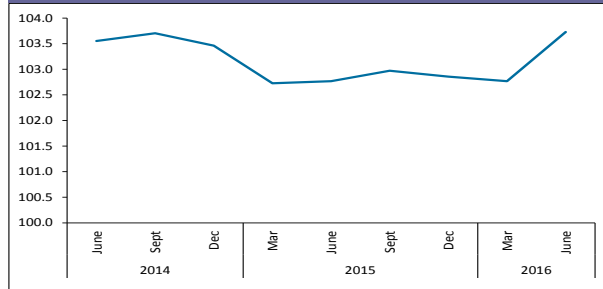
SUMMARY OF ECONOMIC INDICATORS

Chart I: Gross Domestic Product Growth Rate (Year-on-Year Percentage Change)



Source: SIB

Chart II: Consumer Price Index (All Items)



Source: SIB

Chart III: Gross International Reserves and Import Cover

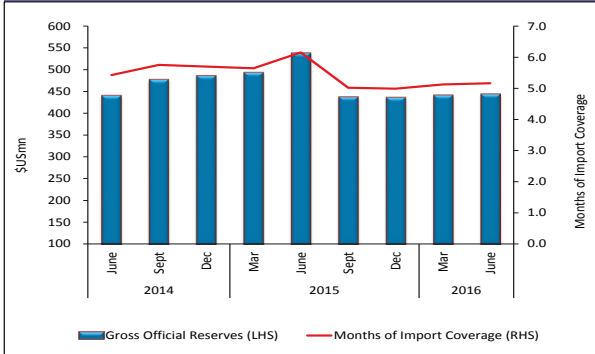


Chart IV: Current Account Balance to GDP

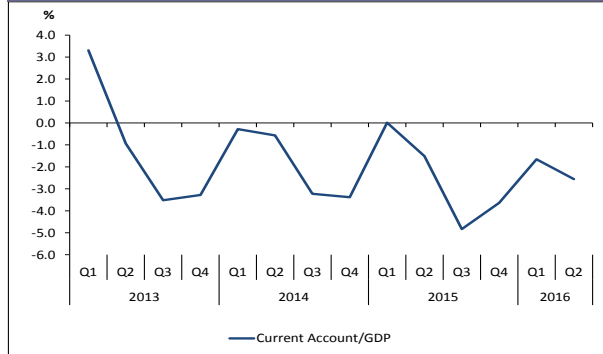


Chart V: Domestic Banks - Deposits and Loans and Advances

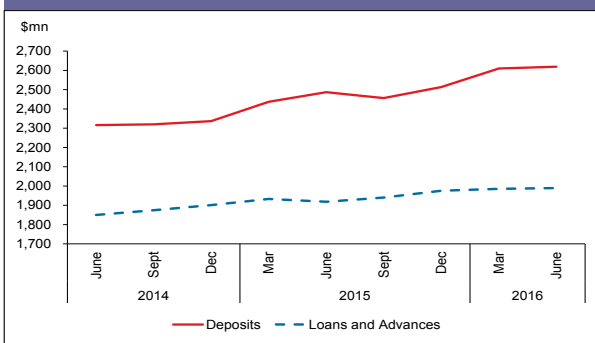
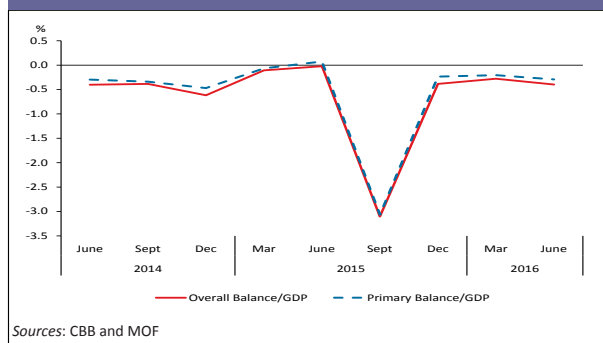


Chart VI: Primary and Overall Balances to GDP



Sources: CBB and MOF

Chart VII: Public Sector External Debt

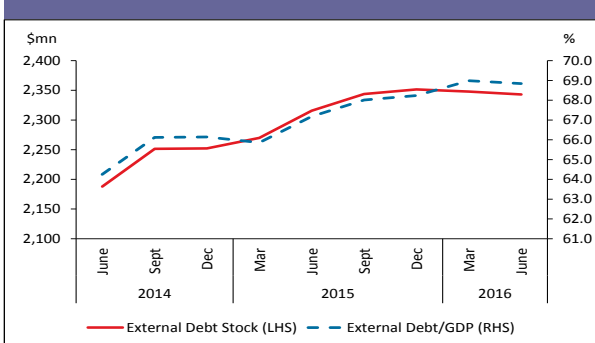
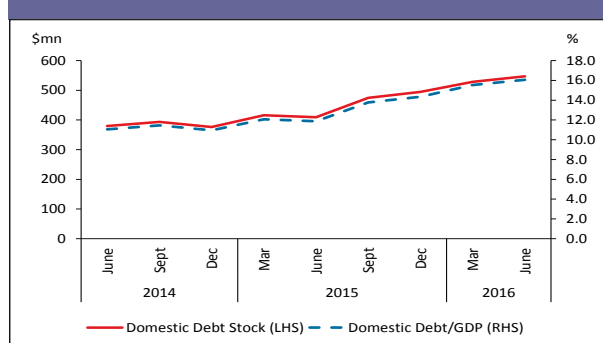


Chart VIII: Central Government Domestic Debt



Overview

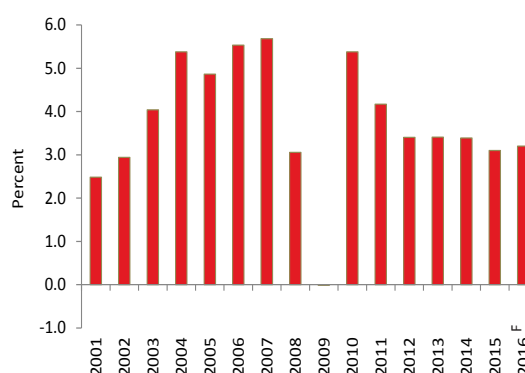
Notwithstanding expansionary monetary policies that supported a moderate upturn in inflation, the advanced economies registered weak growth and only a modest improvement in employment. China decelerated further, while other emerging market economies generally expanded at a faster clip. In the Caribbean, growth was weak, as output in service-based economies increased marginally, and low international prices created difficulties for most of the region's commodity exporters.

US output expanded at an annualized rate of 1.1% in the second quarter, and the United Kingdom grew by 2.2%. In the notable aftermath of the latter's June referendum on the EU, the value of the pound declined, and bond and share prices dropped sharply. In the Euro Area, growth weakened to 1.6% with Spain leading the largest four members of the currency union with an increase in GDP of 3.2%. Germany, France and Italy followed with modest gains of 1.7%, 1.4% and 0.8%, respectively. Japan's struggles continued with its economy decelerating to 0.2% in the second quarter, as business spending and exports declined in tandem with the appreciation of the Yen. While China's growth slowed to 6.7%, India maintained pace with a 7.1% expansion. Brazil and Russia contracted by 3.8% and 0.6%, respectively. In contrast, Mexico economy grew by 2.5% year-on-year on the back of upswings in its agricultural and manufacturing sectors.

Buoyancy in tourism and low oil prices were supporting factors for the Caribbean service-based economies undergoing fiscal consolidation. Among these were Barbados, which grew by 1.3%, The Bahamas and Jamaica. The latter is in the third year of its four-year IMF program and grew by 1.4% in the second quarter but with unemployment also inching up from 13.3% in January to 13.7% in April.

Except for Guyana, which grew by 2.0%, Caribbean commodity exporters were hindered by low prices for oil and metals as well as weak internal demand. Suriname entered an IMF Stand-by Program for US\$478.0mn in the second quarter. Over the first six months of the year, its economy expanded by 0.1%, while international reserves fell to two months of imports. Meanwhile, depressed oil prices and a further decline in its energy sector caused a contraction in Trinidad and Tobago's economy that led to a worsening

Chart 1.1: World Gross Domestic Product Growth (Year-on-Year Average)



Source: IMF
F - Forecast

of its fiscal and external current account deficits.

On the home front, Belize's GDP shrank by 1.5% in the first half of 2016, as a 30.8% plunge in output from the primary sector eclipsed increases in the secondary (2.7%) and services (3.9%) sectors. There were sharp production declines in banana, papaya and citrus, while farmed shrimp activities were essentially at a standstill, as farms experimented with approaches to dealing with the Early Mortality Syndrome. On the other hand, growth in the secondary sector was boosted by hydroelectricity generation and construction, while an upsurge in tourism and public sector expenditure underpinned activity in the services sector.

Over the first six months of the year, the local Consumer Price Index (CPI) rose on average by 0.5%, mostly reflecting price increases for basic food items (meat, bread, cereals and fresh vegetables), rent and insurance premiums. As a result of heightened activity in services, the unemployment rate continued to trend downwards, falling to 8.0% in April 2016 from 10.1% in April 2015.

Notwithstanding higher tourism earnings and foreign grants to Government, the country's external current account deficit expanded from \$51.6mn (1.5% of GDP) in 2015 to \$143.3mn (4.1% of GDP) due to a marked increase in the merchandise trade deficit and heightened repatriation

of profits by entities in tourism and banking. Surpluses on the capital and financial accounts financed the deficit and boosted the gross international reserves by \$15.4mn to \$889.2mn, equivalent to 5.2 months of merchandise imports.

Over the January-to-June period, Central Government's revenue and grants were down by 5.5% (\$29.2mn), and expenditure also fell by 4.6% (\$26.6mn) mainly due to a 44.8% reduction in capital outlays. The primary deficit consequently decreased from \$7.8mn (0.23% of GDP) in 2015 to \$5.4mn (0.16% of GDP), and the overall deficit widened from \$49.7mn (1.4% of GDP) to \$52.3mn (1.5% of GDP). The deficit was financed largely from domestic sources, as Central Government absorbed 98.4% of the expansion in net domestic credit provided by the banking system over the period reviewed. Its domestic debt consequently rose by 10.6% to \$546.9mn (16.1% of GDP), while the external debt contracted by 0.4% to \$2,343.2mn (68.8% of GDP).

Modest increases of \$15.1mn and \$19.6mn were recorded in the net foreign asset holdings of the Central Bank and domestic banks, respectively. The smaller-than-customary increase for the latter was attributed to lower export receipts, the purchase of the local branch of First Caribbean International Bank by Heritage Bank and disruptions to cross-border flows caused by impaired international correspondent banking services.

The domestic banks remained flush with liquidity, which continued on an upward trajectory. In response to this, interest rates declined with the 12-month (rolling) weighted average lending rate on new loans down 15 basis points to 9.60% compared to the position in June 2015, while the comparative weighted average deposit rate declined by 27 basis points to 1.71%. The weighted average interest rate spread thus widened by 12 basis points to 7.89% over the 12-month period. Competitive bidding in the Treasury bill market caused yields to more than halve from 0.05901% in November 2015 to 0.02750% in May 2016.

Money and Credit

In the first half of the year, broad money grew by 4.4% and domestic bank liquidity escalated further, as excess statutory liquid asset holdings increased by 14.3% to \$518.5mn, and holdings of excess cash rose by 1.3% to \$451.3mn. The 12-month (rolling) weighted average lending rate on new loans rose by five basis points in the second quarter to 9.6%, which was 15 basis points below the rate in June 2015. Holding steady at 1.71% in the second quarter, the (rolling) weighted average interest rate was 27 basis points lower than the average rate in June 2015. Over the 12-month period, the weighted average interest rate spread thus widened by 12 basis points to 7.89%.

M1 (the narrow measure of money supply) continued to outpace quasi-money, as growth in deposits was largely confined to demand accounts, which expanded

Chart 2.1: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits

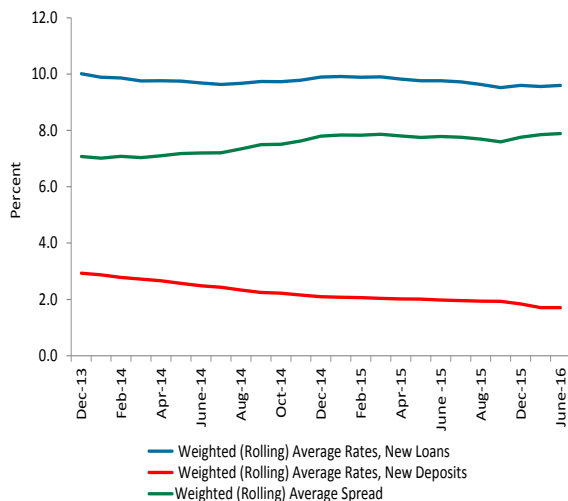
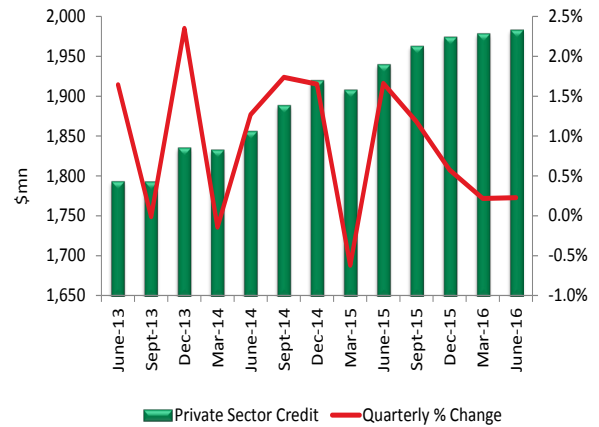


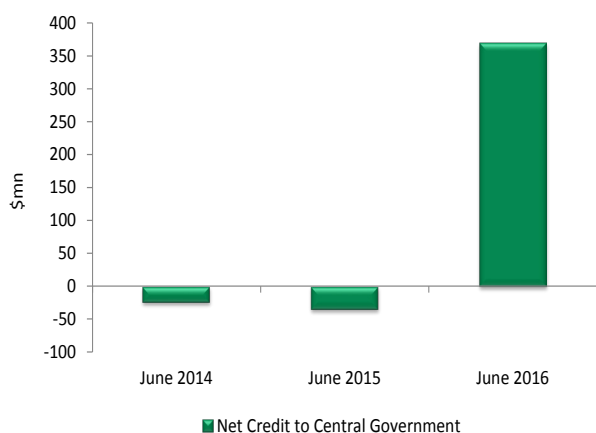
Chart 2.2: Domestic Banks' Private Sector Credit



by \$105.1mn, while savings deposits increased by \$64.4mn. Time deposit liabilities continued to trend downward with a \$22.9mn contraction. Over a six-year period, time deposits shrank by \$344.2mn, while demand deposits increased by \$818.3mn.

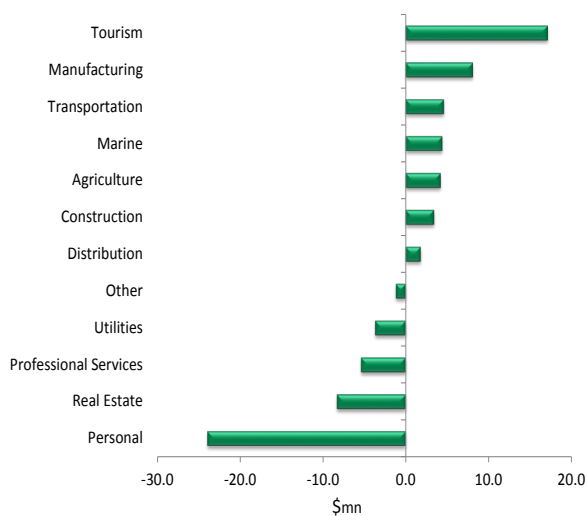
Credit growth was dominated by an upsurge in Central Government borrowing, which accounted for almost all the increase in net domestic credit. In February, the government doubled the statutory ceilings on Treasury bills and Treasury notes to \$400.0mn and \$450.0mn, respectively, to accommodate the upcoming payments for the acquisition of Belize Telemedia Ltd. (BTL), debt service obligations and other public expenditures. The bulk of the financing came from the issuance of \$40.0mn in new Treasury notes (\$20.0mn each in February and March), a \$13.3mn increase in Government's overdraft facility at the Central Bank to \$77.1mn (94.8% of the statutory limit) and a \$15.1mn

Chart 2.3: Net Credit to Central Government



drawdown of deposits held with domestic banks. Concurrently, domestic banks increased their holdings of Government securities by \$59.1mn – \$20.1mn in Treasury notes and \$39.0mn in Treasury bills. Market participants continued to bid competitively during Treasury bill rollovers, which pushed the average Treasury bill yield down from 0.05901% at the last auction of 2015 to 0.02750% for the May 2016 auction.

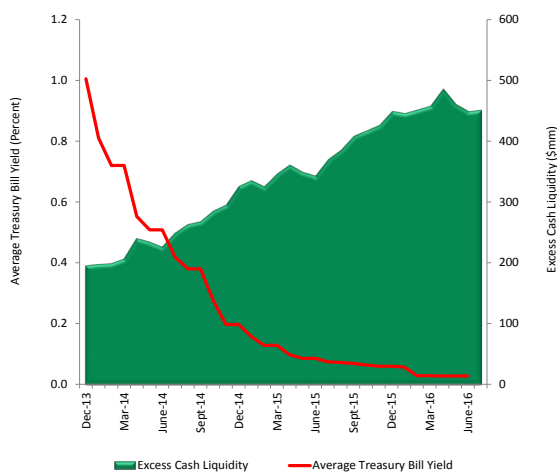
Chart 2.4: Changes in Domestic Banks' Loans and Advances, Dec 2015 - June 2016



Domestic banks' loans to the private sector saw just a modest increase of \$1.6mn due to refinancing and write-offs. A number of loans were refinanced during the period, accompanied by a notable decrease in lending for personal purposes. Meanwhile, most of the credit growth focused on marine production, manufacturing and tourism projects. Write-offs amounted to \$35.5mn, of which \$24.9mn was recorded in June. The affected loans were for commercial real estate developments (\$15.5mn), financial institutions (\$5.3mn), banana production (\$2.2mn), commercial construction (\$1.6mn) and personal purposes (\$3.0mn).

The five largest credit unions recorded a \$16.2mn increase in loans, which outpaced the \$12.6mn increase in the first half of 2015. Their disbursements continued to be dominated by personal loans, especially for educational purposes and purchase of motor vehicles. Disbursements for land

Chart 2.5: Excess Cash Holdings and Average Treasury Bill Yield

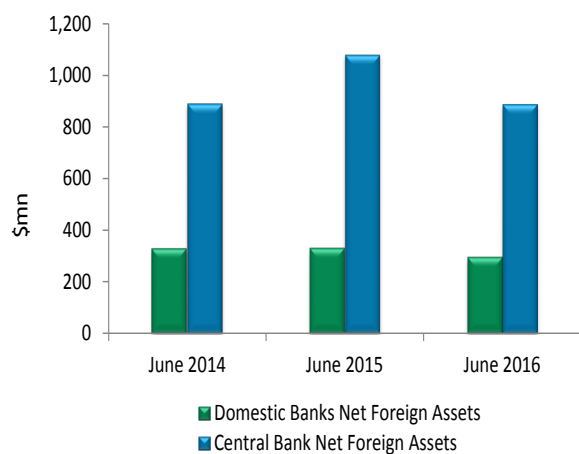


acquisition and home construction also rose.

Growth in net foreign assets was much lower than the \$180.0mn recorded in the first half of 2015. The Central Bank's net holdings rose by \$15.1mn, with inflows of \$182.5mn and outflows of \$167.8mn. Disbursements under the Venezuelan Petrocaribe Agreement (VPCA) amounted to \$12.2mn versus the \$57.0mn received during the first half of 2015, and foreign exchange purchases from domestic banks were almost three times higher this year. As is the norm, outflows were mostly to facilitate Central Government's external debt obligations (which accounted for almost 60.0% of the total and included interest payment of \$26.3mn on the 2038 bond). The Central Bank also facilitated interbank transfers due to some banks' restricted access to international correspondent banking services.

In comparison with the \$81.6mn increase in the first half of 2015, the domestic banks net foreign assets grew by \$19.6mn. This was a reflection of the payments by Heritage Bank for the acquisition of the local branch of First Caribbean International Bank (FCIB) in the first quarter, a sharp drop in earnings from major commodity exports, particularly shrimp, banana, papaya and citrus products, and disruptions to international financial flows due to international correspondent banking issues.

Chart 2.6: Domestic Banks' Net Foreign Assets



Domestic Production and Prices

GDP declined by 1.5% in the first half of 2016, as primary sector output plummeted by 30.8%. Banana production shrank by 32.7% due to flood damage in late 2015 and the forced closure of the Meridian group of farms, while citrus greening contributed to the 19.8% fall-off in citrus fruit deliveries. With the winding up of Fruta Bomba, papaya production plunged by 66.2%. Farmed shrimp production fell by 93.7%, and remained almost at a standstill as some farms experimented with different strategies to cope with the Early Mortality Syndrome. Sugarcane was the only major export crop that recorded higher production of 21.9% due to the initial Santander harvest.

The economy was bolstered by a 2.7% expansion in the secondary sector, as increases in hydroelectricity generation, construction activities and beverage, sugar and dairy production outweighed decreases in output of petroleum, citrus juices and fertilizer. The tertiary sector also expanded by 3.9%, aided by across-the-board increases in services. “Producers of Government Services” grew by 9.6%, supported by the 8.0% hike in wages for public officers that took effect in July 2015. Buoyed by an influx of stay-over and cruise visitors, “Hotels and Restaurants” and “Transport and Communication” expanded by 8.0% and 4.7%, respectively. “Wholesale and Retail” also rose by 2.0%.

Sugarcane and Sugar

Following a return to the usual crop cycle after two years of successive harvest delays, the northern sugarcane crop ended on 26 June with total production of 1,292,515 long tons of sugarcane. The new entrant in the West harvested 162,538 long tons of sugarcane during a three-month period ending in May. When combined, sugarcane deliveries were up by 34.2% to 1,455,053 long tons for the 2015/2016 crop year, which represents the highest yield on record.

Due to the delivery of stand-over sugarcane, rainy weather at the start of harvest and start-up problems of the new producer, sugar production rose by a more modest 9.9% to 143,937 long tons. A 2.5% fall in cane purity also contributed to the 23.0% worsening of the cane-to-sugar ratio to 10.11.

Given its inverse relationship with sugar production, molasses output increased by

Table 3.1: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - June 2014/2015	Dec - June 2015/2016
Deliveries of Sugarcane to BSI and Santander (long tons)	1,084,560	1,455,053
Sugar Processed by BSI and Santander (long tons)	130,977	143,937
Molasses processed by BSI and Santander (long tons)	33,230	49,706
Performance		
Factory Time Efficiency (%)	97.90	93.15
Cane Purity (%)	87.02	84.85
Cane/Sugar	8.22	10.11

Source: BSI

49.6% to 49,706 long tons. The average price paid to the northern sugarcane farmers increased from the previously announced \$45.25 per long ton to \$48.08, reflecting higher-than-anticipated sugar prices on international markets.

Citrus

Citrus deliveries fell by 21.8% to 3.6mn boxes, with orange and grapefruit deliveries down by 16.8% to 3.2mn boxes and by 48.6% to 0.4mn boxes, respectively. During the second quarter, the processor suspended fruit deliveries for 26 days to enhance fruit quality and, in turn, improve juice sales.

Citrus juice production fell even further by 24.3% to 21.2mn pounds solid (ps) due to a 3.2% reduction in the average juice outturn per box. Production of pulp expanded by 22.3%, while oil output fell by 15.9%.

The estimated price to be paid to farmers for the 2015/2016 crop is set at \$2.08 per ps for orange and \$2.53 per ps for grapefruit, compared to the \$1.72 and \$2.14 per ps paid for orange and grapefruit, respectively, in the previous crop-year. The improvements were attributable to higher orange juice prices in the US caused by production losses from citrus greening in Florida.

Banana

Flood damage in late 2015 and the forced closure of the Meridian group of farms,

Table 3.2: Output of Citrus Products

	Oct - June 2014/2015	Oct - June 2015/2016
Deliveries (boxes)		
Orange	3,877,297	3,224,861
Grapefruit	<u>722,104</u>	<u>370,964</u>
Total	4,599,401	3,595,825
Concentrate Produced (ps)		
Orange	24,796,461	19,435,227
Grapefruit	<u>3,054,389</u>	<u>1,509,438</u>
Total	27,850,850	20,944,665
Not from Concentrate (ps)		
Orange	90,316	233,524
Grapefruit	<u>45,720</u>	<u>0</u>
Total	136,036	233,524
Pulp (pounds)		
Orange	2,670,352	3,386,488
Grapefruit	<u>184,864</u>	<u>104,304</u>
Total	2,855,216	3,490,792
Oil Produced (pounds)		
Orange	1,356,400	1,178,000
Grapefruit	<u>108,000</u>	<u>53,200</u>
Total	1,464,400	1,231,200

Sources: CGA and CPBL

which accounted for 16.4% of producing acreage in the previous year, caused banana production to contract by 32.7% to 36,109 metric tons for the first half of the year. The average yield per acre fell by 20.9% from 368 boxes per acre during the first half of 2015 to 291 boxes per acre in the same period of 2016.

Petroleum

Continuing its downward trajectory, crude oil extraction decreased by 16.1% to 233,971 barrels. The Spanish Lookout

Table 3.3: Banana Production

	40 pound boxes	
	Jan - June 2015	Jan - June 2016
1st Quarter	1,507,074	850,662
2nd Quarter	1,449,639	1,139,590
Total	2,956,713	1,990,252

Source: BGA

field was the only field in operation during 2016 and produced 1,286 barrels of oil per day, which was 255 fewer barrels when compared to the same period of 2015.

Tourism

In the first half of the year, stay-over visitors to Belize soared by 16.7% to 199,204, outpacing the 4.0% increase for the Caribbean as a whole. Visitors arriving by air were up by 21.5% due to intensified marketing efforts, increased airlift capacity and lower international airfares. US visitors rose by 25.1%, increasing the share of total arrivals from that market by 4.9 percentage points to 73.3%. Visitors from Europe grew by 4.3%, while Canadian visitors were down by 15.8%. The share of visitors from Europe (EU) and Canada represented 9.3% and 6.0% of total visitors, respectively.

Despite three fewer port calls, cruise ship disembarkations rose by 2.6% to 500,303 visitors, with the arrival of ships having larger passenger capacity in the second quarter.

Consumer Price Index

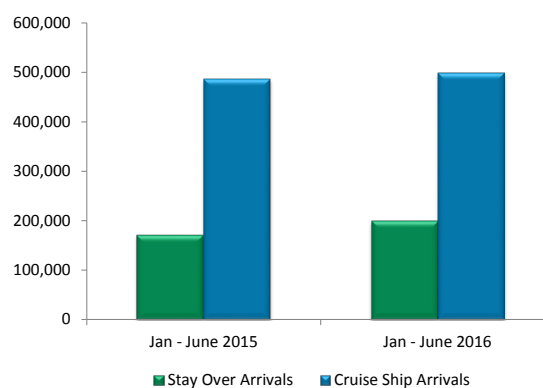
The CPI was flat in June as a 0.9% increase in prices for “Transport” offset price declines of 0.4% and 0.8% in the “Food and Non-alcoholic Beverages” and “Alcoholic Beverages and Tobacco” categories, respectively.

Average prices were 0.5% higher compared to the first half of 2015 with an uptick of 0.8% for “Food and Non-alcoholic Beverages” mostly due to meat, bread, cereals and fresh vegetables, a 0.7% rise for “Housing, Water, Electricity, Gas and other Fuels” that reflected higher rent charges, and a 3.6% increase for “Miscellaneous Goods and Services”, which was pushed upward by insurance premiums. In contrast, the price level for “Transport”, “Communication”, and “Alcoholic Beverages and Tobacco” declined by 3.0%, 0.9% and 0.3% respectively.

Employment

The unemployment rate continued to trend downwards, falling from 10.1%

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

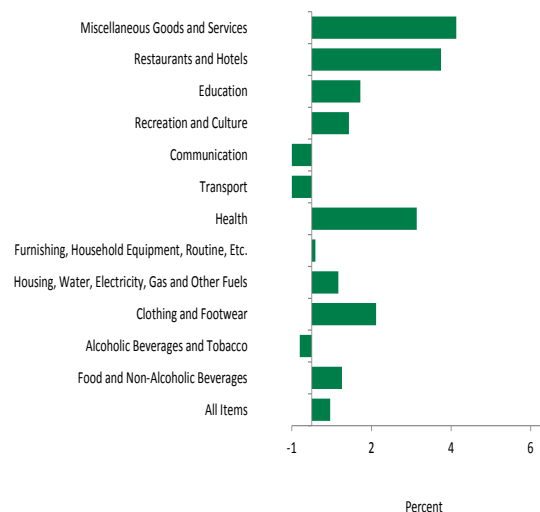
Table 3.4: Bona Fide Tourist Arrivals

	Jan - June 2015	Jan - June 2016
Stay-over Arrivals		
Air	138,974	168,894
Land	27,638	27,474
Sea	<u>4,013</u>	<u>2,836</u>
Total	170,625	199,204
Cruise Ship	487,698	500,303

Sources: BTB, CBB and Immigration Department

in April 2015 to 8.0% in April 2016, the lowest rate recorded since 2008. The number employed rose by 8,773 persons, with the service industries, the primary sector and secondary sector contributing 7,565, 2,154 and 185 jobs, respectively.

Chart 3.2: Average Annual Percentage Change in Consumer Price Index
Jan to June 2015 over Jan to June 2016



Source: SIB

International Trade and Payments

The external current account deficit grew to \$143.3mn (4.1% of GDP) in the first half of the year, as a 31.7% expansion in the merchandise trade deficit and higher profit outflows outweighed increases in earnings from tourism and transfers to Government. The gross international reserves nevertheless rose by \$15.4mn to \$889.5mn (equivalent to 5.2 months of merchandise imports) as a result of surpluses on the capital and financial accounts.

Exports declined by 22.8% with lower earnings from all of the major domestic exports, and re-exports (including those from the commercial free zone) also contracting by 21.5%. Imports (FOB) declined by 3.2%, reflecting lower outlays on fuel, manufactured goods, CFZ goods and inputs for export processing zones.

Although the volume of sugar exports increased by 12.7% to 77,055 long tons,

Chart 4.1: External Current Account and Trade Deficit

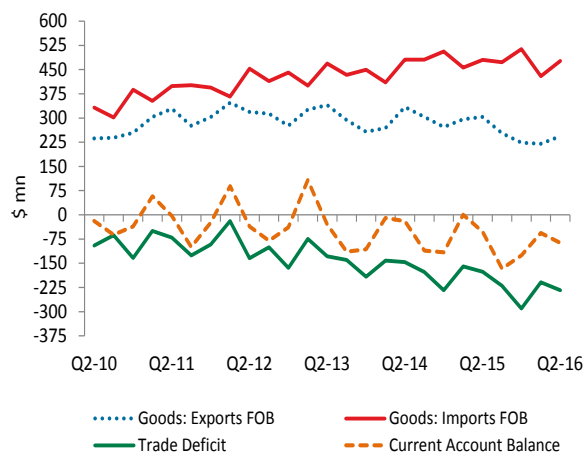


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-June 2015 ^R	Jan-June 2016 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-51.6	-143.3
I. Goods (Trade Balance)	-336.6	-443.2
Exports, Free on Board (FOB)	599.7	463.2
Domestic Exports	293.2	222.6
CFZ Gross Sales	230.5	192.0
Re-exports	75.9	48.5
Imports, FOB	936.2	906.3
Domestic Imports	788.6	777.5
CFZ Imports	147.7	128.8
II. Services	323.2	374.2
Transportation	-39.2	-38.7
Travel	368.8	403.5
Other Services	-6.3	9.5
III. Primary Income	-112.8	-155.8
Compensation of Employees	-6.3	-4.4
Investment Income	-106.6	-151.3
IV. Secondary Income	74.6	81.4
Government	-2.2	8.5
Private	76.8	72.9
B. Capital Account	14.1	32.5
C. Financial Account	-124.6	-101.7
D. NET ERRORS AND OMISSIONS	17.0	24.6
E. RESERVE ASSETS	104.0	15.4

^R - Revised

^P - Provisional

receipts fell by 14.7% to \$61.3mn due to lower prices in the European Union (EU), where almost all (98.2%) the sugar was sold. EU sales amounted to 75,679 long

tons valued at \$59.7mn, while CARICOM received 1,353 long tons valued at \$1.5mn. Molasses exports grew by 64.0% to 23,660 long tons valued at \$5.4mn.

The volume and value of total citrus juice exports decreased by 11.8% to 15.1mn pound solids (ps) and by 3.7% to \$43.2mn. The sales volume of orange concentrate was down by 15.7% to 13.7mn ps, and a 10.2% improvement in average prices caused revenue to fall less than proportionately by 7.1% to \$38.2mn. In contrast, sales of grapefruit concentrate rose by 64.8% to 1.3mn ps, while earnings grew by just 37.8% to \$4.9mn due to a 16.4% drop in average prices. The United States (US) remained the principal market for orange concentrate with 64.6% of sales volume. Prices in this market improved by 20.1% due to a smaller crop harvest in Florida, which is also afflicted by citrus greening. Concurrently, the Caribbean accounted for 27.1% of orange concentrate sales, but

juice prices weakened somewhat in this and other markets.

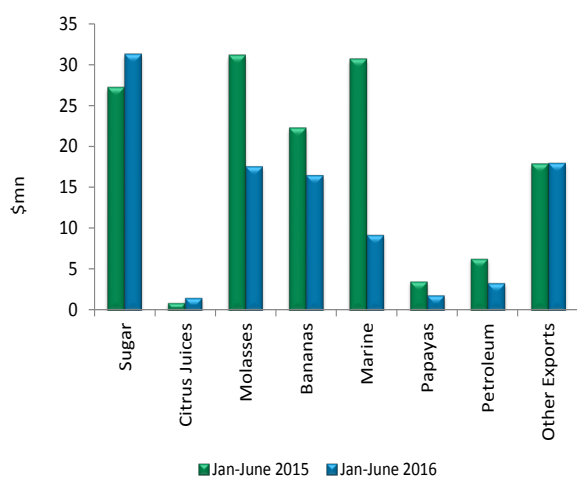
Notwithstanding increases in conch and lobster, marine exports plunged by 83.8% to 1.3mn pounds principally because of a 95.6% reduction in farmed shrimp, as the industry continued to wrestle with the Early Mortality Syndrome. The drop in receipts of 69.5% to \$14.2mn was ameliorated by higher earnings from conch and lobster.

Banana exports declined by 32.7% to 36,109 metric tons, while revenues fell in tandem by 33.1% to \$39.9mn. The plunge in production was attributable to the loss of some of the higher yielding productive acreage due to US sanctions on a large grower and the lingering effects of flooding in late 2015.

Although exports of crude oil increased by 11.7% to 0.2mn barrels, receipts fell by 31.4% to \$12.4mn due to a downturn in the average price from US\$50.49 per barrel in the first half of 2015 to US\$31.01 per barrel in the same period this year. In the case of papaya, production contracted by 66.2% to 6.2mn pounds valued at \$3.4mn, as the largest producer closed operations in June, two months earlier than originally scheduled.

In other developments, net earnings from services rose by 15.8% to \$374.2mn year on year, buoyed by higher earnings from tourism and other services, as well

Chart 4.2: Domestic Exports



Source: SIB and CBB

as a marginal dip in net outflows for transportation services. Net travel receipts increased by 9.4% to \$403.5mn, driven by increases in overnight arrivals and cruise ship disembarkations of 16.8% and 1.0%, respectively. Concurrently, net outflows for transportation services edged down by \$0.5mn to \$38.7mn, while the balance on other services swung from a deficit of \$6.3mn to a surplus of \$9.5mn. The latter was partly explained by the higher earnings of data processing businesses.

Net outflows on the primary income account grew from \$112.8mn to \$155.8mn, driven by increases in profit repatriation by tourist establishments and in dividends accruing to the foreign shareholders of the domestic banks. The surplus on the secondary income account increased from \$74.6mn to \$81.4mn, as a rise in transfers to Government and religious and non-profit organizations outweighed a reduction in net remittance

Table 4.2: Capital and Financial Account Summary

		\$mn	
		Jan-June 2015 ^R	Jan-June 2016 ^P
A.	Capital Account	14.1	32.5
B.	Financial Account (1+2+3+4)	-124.6	-101.7
	1. Direct Investment in Belize	-146.0	-147.1
	2. Portfolio Investment	0.0	0.0
	Monetary Authorities	0.0	0.0
	General Government	0.0	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	21.4	45.5
	Monetary Authorities	-6.3	-0.2
	General Government	-69.9	9.3
	Banks	81.7	19.6
	Other Sectors	15.9	16.7
C.	NET ERRORS AND OMISSIONS	17.0	24.6
D.	OVERALL BALANCE	104.0	15.4
E.	RESERVE ASSETS	104.0	15.4

^R - Revised

^P - Provisional

Chart 4.3: Trade, Services, Primary Income and Secondary Income Balances

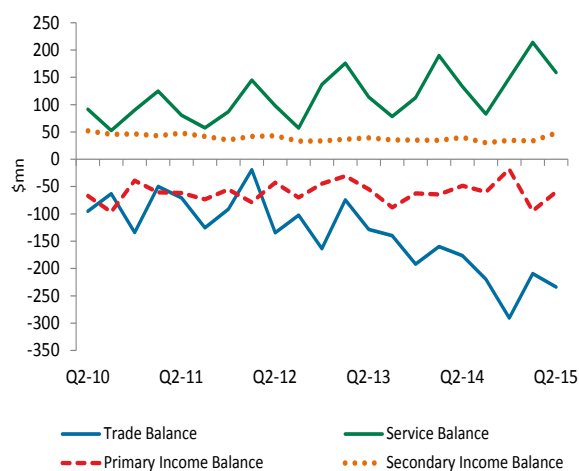
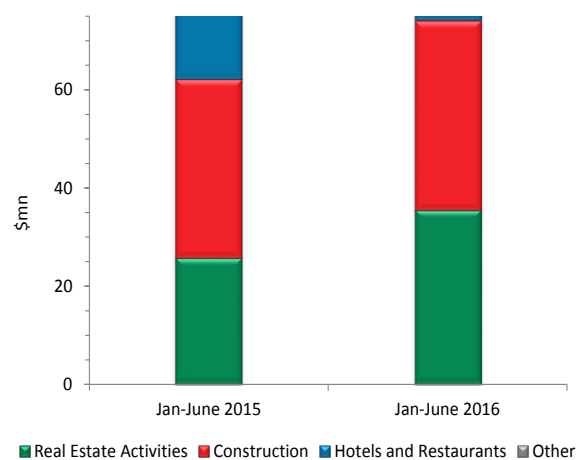


Chart 4.4: Foreign Direct Investment Inflows By Major Activity



receipts. The latter contracted by 12.6%, as a 1.9% increase in inflows was eclipsed by a 25.0% spike in outflows.

The surplus on the capital account rose to \$32.5mn, compared to \$14.1mn in the same period of the previous year. The increase reflected various grant receipts from international financial institutions and the donation of military equipment from Taiwan. A surplus of \$101.7mn was recorded on the financial account, reflecting foreign direct investment inflows that were channeled mainly into tourism-related construction projects, agriculture and real estate. The Government and the private sector made net loan repayments of \$9.3mn and \$14.0mn, respectively, while the foreign asset holdings of the domestic banks declined by \$5.6mn under pressure from a widening external current account deficit.

Government Operations and Public Debt

In the first half of 2016, Central Government's revenues and expenditure were down by 5.5% (\$29.2mn) and 4.6% (\$26.6mn), respectively. The primary deficit decreased from \$7.8mn (0.23% of GDP) to \$5.4mn (0.16% of GDP), and the overall deficit widened from \$49.7mn (1.4% of GDP) to \$52.3mn (1.5% of GDP). The decline in revenues mainly reflected downturns in non-tax revenue from oil production and grant receipts, while the decrease in expenditures occurred as a 44.8% reduction in capital spending outweighed a 10.6% increase in current expenditure. The deficit was financed largely from domestic sources.

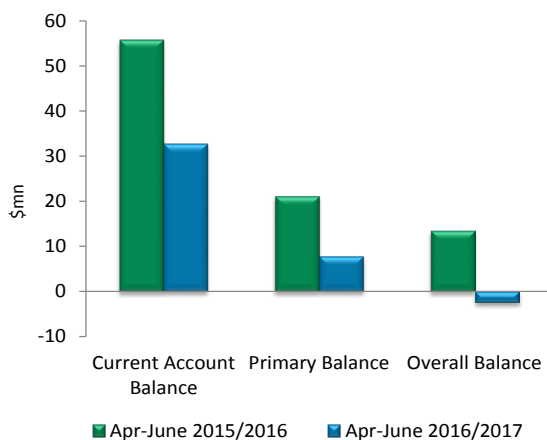
In the first quarter (April to June) of the 2016/2017 fiscal year (FY), revenues totalled \$257.1mn, 2.9% lower than the same period of the previous FY, while expenditure grew by 3.3% to \$259.6mn. Consequently, the primary surplus fell

from 0.6% of GDP to 0.2% of GDP, and the overall balance shifted from a surplus of 0.4% of GDP to a deficit of 0.07% of GDP. The Government's financing gap (overall deficit plus loan repayments) totalled \$26.4mn, half of which was sourced domestically via the Central Bank's overdraft facility. The debt dependency ratio (new borrowings to expenditure) stood at 25.4%, which is above the critical international threshold of 20.0%.

Grant receipts were down by \$9.1mn, and non-tax revenues contracted by \$17.8mn mainly due to lower receipts from property income, the domestic oil industry and the international ship and company registries. On the other hand, tax revenue grew by \$20.1mn (9.3%) to \$236.4mn, as higher collections of the general sales tax on goods and services outweighed lower receipts from taxes on international trade.

Current expenditure rose by 13.1% to \$219.9mn, reflecting the negotiated 8.0% increase in public officers' wages in July 2015, which contributed notably to the 10.3% aggregate increase in personal emoluments, pensions and domestic subsidies. Capital outlays shrank by 30.2% to \$39.7mn, with \$16.9mn being spent on infrastructural projects, such as maintenance or rehabilitation of roads, highways, bridges and drains, as well as works on the south side of Belize City, the Southern Highway and the Santa

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB

Table 5.1: Central Government Revenue and Expenditure

	\$mn			
	Jan 2015 to June 2015	Jan 2016 to June 2016	Apr 2015 to June 2015	Apr 2016 to June 2016
Total Revenue and Grants	534.7	505.5	264.7	257.1
Of which: Current Revenue	517.7	498.9	250.2	252.5
Of which: Grants	14.0	5.0	12.8	3.7
Total Expenditure	584.4	557.8	251.2	259.6
Current Expenditure	424.8	469.8	194.4	219.9
Capital Expenditure	159.6	88.1	56.8	39.7
Current Balance	92.8	29.1	55.9	32.6
Primary Balance	-7.8	-5.4	21.2	7.8
Overall Balance	-49.7	-52.3	13.5	-2.5

Sources: MOF and CBB estimates

Elena International Crossing. Outlays on land management and environmental projects amounted to \$2.9mn and \$3.6mn, respectively. Meanwhile, capital

disbursements for education, sports, health, tourism, science, technology, housing, security, agriculture and social projects summed to \$7.3mn. The remainder

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2015 to June 2015	Jan 2016 to June 2016	Apr 2015 to June 2015	Apr 2016 to June 2016
Current Revenue	517.7	498.9	250.2	252.5
Tax Revenue	457.5	459.8	216.3	236.4
Income and Profits	138.1	130.9	62.8	63.4
Taxes on Property	3.5	4.6	1.7	2.6
Taxes on Goods and Services	183.2	209.9	89.0	117.6
International Trade and Transactions	132.8	114.4	62.8	52.7
Non-Tax Revenue	60.2	39.1	33.9	16.1
Property Income	8.6	8.8	7.8	3.1
Licenses	8.3	7.2	4.2	2.5
Other	43.3	23.2	21.9	10.6
Capital Revenue	3.0	1.6	1.7	0.8
Grants	14.0	5.0	12.8	3.7

Sources: MOF and CBB estimates

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2015 to June 2015	Jan 2016 to June 2016	Apr 2015 to June 2015	Apr 2016 to June 2016
Current Expenditure	424.8	469.8	194.4	219.9
Wages and Salaries	175.3	197.4	89.8	100.1
Pensions	31.1	38.6	15.3	19.1
Goods and Services	105.8	107.1	42.3	48.3
Interest Payments	41.9	46.9	7.7	10.3
Of which: External	36.3	39.3	5.2	7.9
Subsidies and Current Transfers	70.7	79.8	39.3	42.2
Capital Expenditure	159.6	88.1	56.8	39.7
Capital II	61.2	46.4	25.0	22.3
Capital III	95.1	40.5	29.2	16.7
Net Lending	3.3	1.2	2.6	0.6

Sources: MOF and CBB estimates

went mostly to the Belize Infrastructure Limited and for the upgrading of public buildings.

Domestic Debt

The Government's domestic debt rose by 10.6% to \$546.9mn (16.1% of GDP) in the first half of the year. Domestic financing to meet the 2038 bond interest payment and other expenditures came via the issuance of \$40.0mn worth of new Treasury notes and a \$13.3mn hike in the overdraft facility. Loan repayments summed to \$0.9mn and were shared among the domestic banks, the Fort Street Tourism Village, Debt for Nature Swap and the Belize Social Security Board. Of the \$7.7mn paid in interest, \$5.7mn went to the Central Bank and \$1.8mn to non-bank entities. The annual effective interest rate averaged 3.7%, at

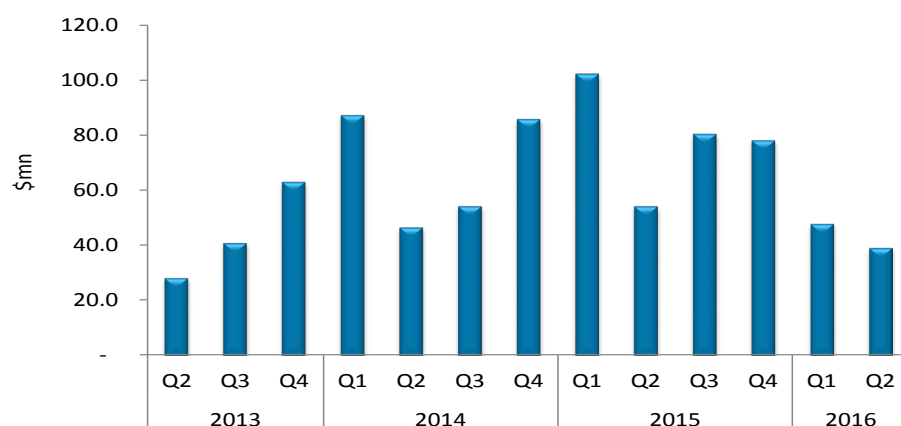
par with the average recorded at the end of June 2015.

The share of domestic debt held by the Central Bank fell from 49.7% to 44.9%, with the sale of \$28.5mn worth of Treasury notes and \$25.0mn worth of Treasury bills in the secondary market. The domestic banks increased their share from 30.9% to 38.6%, while the share held by non-bank entities fell from 19.4% to 16.5%.

Public Sector External Debt

Amortization payments exceeded disbursements in the first half of 2016, and the public sector external debt consequently fell by 0.4% (\$8.9mn) to \$2,343.2mn (68.8% of GDP). Disbursements totalled \$34.1mn that included \$29.1mn for Central Government,

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

\$4.0mn for the Development Finance Corporation (DFC) and \$1.0mn for the non-financial sector. Central Government received \$12.9mn from the Government of Venezuela and \$16.2mn from multilateral lenders. The latter included \$8.2mn from the Caribbean Development Bank (CDB) and \$4.6mn from the International Bank of Reconstruction and Development (IBRD) for infrastructural works and other projects. At 3.3%, the average annual effective interest rate was above the 3.2% recorded at the end of June 2015.

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2015	June 2016	Changes in Stock
Overdraft	63.8	77.1	13.3
Loans	5.7	4.8	-0.9
Treasury Bills	200.0	200.0	0.0
Treasury Notes	225.0	265.0	40.0
Total	494.4	546.9	52.4

Principal repayments summed to \$43.9mn, including Central Government payments of some \$41.8mn, which was shared among multilateral creditors (\$21.8mn) and bilateral lenders (\$19.9mn), particularly the Republic of China (ROC) and the Government of Venezuela. The DFC and the non-financial public sector together repaid \$1.8mn to the CDB.

Of the \$40.1mn in interest and other payments, \$39.6mn was paid by Central Government with interest on the 2038 bond accounting for \$26.3mn (65.7% of the total). The Government also paid \$4.7mn to bilateral creditors and \$8.5mn to multilateral lenders for loans that were on more concessionary terms. Payments by the DFC and non-financial public sectors amounted to \$0.5mn.

Chart 5.3: External Debt Service

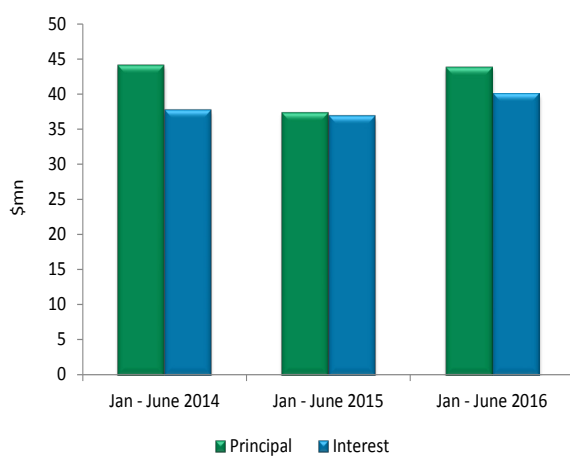


Chart 5.4: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt

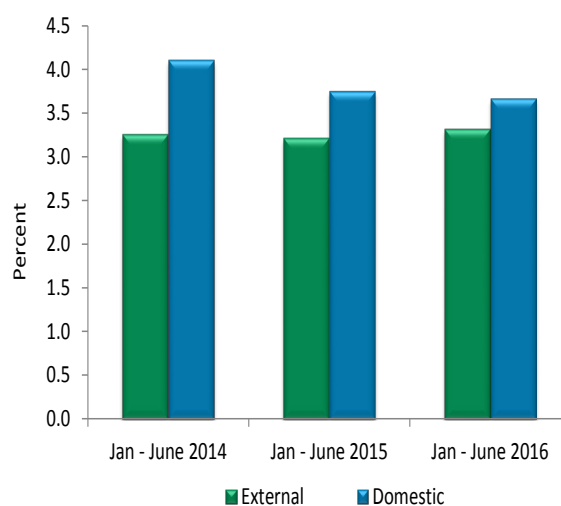


Table 5.5: Public Sector External Debt

	DOD at: 31/12/2015	DOD at: 30/06/2016 ^P	Change in Debt Stock
	\$mn		
Central Government	2,271.5	2,259.2	-12.3
Bilateral	640.1	633.3	-6.8
Multilateral	578.3	572.9	-5.4
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	16.5	15.8	-0.7
Bilateral	0.7	0.3	-0.3
Multilateral	15.8	15.5	-0.4
Bonds	0.0	0.0	0.0
Financial Public Sector	64.2	68.3	4.1
Bilateral	0.0	0	0.0
Multilateral	64.2	68.3	4.1
Bonds	0.0	0.0	0.0
Grand Total	2,352.2	2,343.2	-8.9

^P - Provisional

ANNEX I

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

	Percent	
	Mar 2016	June 2016
USA ⁽²⁾	0.8	1.1
UK ⁽¹⁾	2.0	2.2
Euro Zone ⁽¹⁾	1.7	1.6
Japan ⁽²⁾	2.0	0.2

⁽¹⁾ Percentage change compared to the same quarter of the previous year.

⁽²⁾ Percentage change on an annualized basis.

Source: Respective Statistical Bureaus

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

	\$mn		
	Position as at June 2016	Changes During Dec 2015 to June 2016	Dec 2014 to June 2015
Net Foreign Assets	1,184.8	34.7	180.0
Central Bank	889.9	15.1	98.4
Domestic Banks	294.9	19.6	81.6
Net Domestic Credit	2,360.0	73.8	-30.4
Central Government (Net)	369.0	72.6	-37.8
Other Public Sector	10.2	-0.4	-3.7
Private Sector	1,980.8	1.6	11.1
Central Bank Foreign Liabilities (Long-term)	50.1	0.5	-1.5
Other Items (Net)	494.6	-18.2	35.4
Money Supply (M2)	3,000.1	126.2	115.7

⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.

Table A.3: Money Supply

		\$mn	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
Money Supply (M2)	3,000.1	126.2	115.7
Money Supply (M1)	1,613.1	84.7	125.4
Currency with the Public	284.8	-6.4	6.0
Demand Deposits	1,177.7	105.1	111.6
Savings/Chequing Deposits	150.6	-14.0	7.8
Quasi-Money	1,387.0	41.5	-9.7
Savings Deposits	535.2	64.4	30.6
Time Deposits	851.8	-22.9	-40.3

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

		\$mn	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
Net Foreign Assets of Banking System	1,184.8	34.7	180.0
Net Foreign Assets of Central Bank	889.9	15.1	98.4
Central Bank Foreign Assets	897.2	14.7	104.1
Central Bank Foreign Liabilities (Demand)	7.3	-0.4	5.7
Net Foreign Assets of Domestic Banks	294.9	19.6	81.6
Domestic Banks' Foreign Assets	303.8	-5.6	72.6
Domestic Banks' Foreign Liabilities (Short-Term)	8.9	-25.2	-9.0

Table A.5: Net Domestic Credit

		\$mn	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
Total Credit to Central Government	456.8	58.4	19.7
From Central Bank	245.6	-0.2	18.6
Loans and Advances	77.1	13.3	-6.3
Government Securities ⁽¹⁾	168.5	-13.5	24.9
From Domestic Banks	211.2	58.6	1.1
Loans and Advances	2.1	-0.5	-0.4
Government Securities	209.1	59.1	1.5
Of which: Treasury Bills	189.0	39.0	1.5
Treasury Notes	20.1	20.1	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	87.8	-14.2	57.5
With Central Bank	57.4	0.9	45.7
With Domestic Banks	30.4	-15.1	11.8
Net Credit to Central Government	369.0	72.6	-37.8
Credit to Other Public Sector	10.2	-0.4	-3.7
From Central Bank	0.0	0.0	0.0
From Domestic Banks	10.2	-0.4	-3.7
Of which: Local Government	0.4	-0.3	-0.4
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	2.6	-1.4	-2.3
Other Statutory Bodies	5.1	1.3	-1.0
Securities	2.0	0.0	0.0
Plus Credit to the Private Sector	1,980.8	1.6	11.1
Loans and Advances	1,980.4	1.6	11.1
Securities	0.4	0.0	0.0
Net Domestic Credit of the Banking System ⁽²⁾	2,360.0	73.8	-30.4

¹ Includes Central Bank's holdings of Government Treasury bills and Treasury notes.

² Values may not equal total due to rounding.

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

		\$mn	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
PRIMARY SECTOR	260.7	8.7	-3.2
Agriculture	207.1	4.2	-7.3
Sugar	72.3	0.3	-2.9
Citrus	12.4	-2.4	-0.3
Bananas	74.2	3.3	-0.8
Other	48.2	3.0	-3.3
Marine Products	35.0	4.4	4.7
Forestry	1.0	0.3	-0.4
Mining and Exploration	17.6	-0.2	-0.2
SECONDARY SECTOR	637.5	7.8	27.8
Manufacturing	44.2	8.1	10.2
Building and Construction	581.5	3.4	19.7
Utilities	11.8	-3.7	-2.1
TERTIARY SECTOR	683.1	8.5	0.6
Transport	53.1	4.6	0.5
Tourism	113.1	17.1	3.7
Distribution	172.1	1.8	-1.8
Real Estate	284.9	-8.3	6.7
Professional Services	46.6	-5.4	-4.0
Other ⁽¹⁾	13.3	-1.3	-4.5
PERSONAL LOANS ⁽²⁾	405.5	-23.9	-18.0
TOTAL	1,986.8	1.1	7.2

⁽¹⁾ Includes Government services, financial institutions and entertainment.

⁽²⁾ Changes due to reclassification from personal loans mainly to building and construction.

Table A.7: Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
Holdings of Approved Liquid Assets	1,144.9	97.4	164.5
Notes and Coins	71.7	-5.4	1.1
Balances with Central Bank	684.6	17.6	46.4
Money at Call and Foreign Balances (due in 90 days)	192.6	48.3	116.3
Treasury Bills maturing in not more than 90 days	189.0	39.0	1.5
Other Approved Assets	7.0	-2.1	-0.8
Of which: Treasury Notes	4.0	4.0	0.0
Required Liquid Assets	626.4	32.4	27.5
Excess/(Deficiency) Liquid Assets	518.5	65.0	137.0
Daily Average Holdings of Cash Reserves	682.8	17.6	44.7
Required Cash Reserves	231.5	12.0	10.2
Excess/(Deficiency) Cash Reserves	451.3	5.6	34.5
Actual Securities Balances	189.0	39.0	11.5
Excess/(Deficiency) Securities	189.0	39.0	11.5

Table A.8: Domestic Banks' Weighted Average Interest Rates

		Percent	
		Changes During	
	Position as at June 2016	Dec 2015 to June 2016	Dec 2014 to June 2015
Weighted Lending Rates			
Personal Loans	11.69	0.09	-0.24
Commercial Loans	9.75	-0.26	-0.43
Residential Construction	7.75	-0.21	-0.48
Other	7.67	-0.17	-0.38
Weighted Average	9.84	-0.19	-0.41
Weighted Deposit Rates			
Demand	0.09	-0.01	-0.24
Savings/Chequing	2.59	0.03	-0.01
Savings	2.28	-0.11	0.02
Time	2.29	-0.16	-0.09
Weighted Average	1.34	-0.12	-0.20
Weighted Average Spread	8.50	-0.07	-0.20

Table A.9: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages At			Changes During	
	June 2016	Mar 2016	June 2015	June 2016 over Mar 2016	June 2016 over June 2015
Weighted Lending Rates					
Personal Loans	10.48	10.47	11.15	0.01	-0.67
Commercial Loans	9.74	9.75	9.92	-0.01	-0.18
Residential Construction	6.83	6.93	6.86	-0.10	-0.02
Other	6.58	6.56	7.18	0.02	-0.59
Weighted Average	9.60	9.56	9.76	0.05	-0.15
Weighted Deposit Rates					
Demand	0.04	0.03	0.03	0.01	0.00
Savings/Chequing	1.00	1.14	1.67	-0.14	-0.67
Savings	2.38	2.19	1.98	0.19	0.40
Time	1.88	1.89	2.05	-0.01	-0.17
Weighted Average	1.71	1.71	1.98	0.00	-0.27
Weighted Average Spread	7.89	7.84	7.78	0.05	0.12

Table A.10: Real Gross Domestic Product Growth Rates⁽¹⁾

	Jan-June 2015 ^R	Jan-June 2016 ^P
Agriculture, Hunting and Forestry	-0.5	-9.6
Fishing	7.8	-81.1
Manufacturing (including Mining and Quarrying)	-1.2	-4.5
Electricity and Water	-14.0	13.0
Construction	-7.7	11.9
Wholesale and Retail	3.5	2.0
Hotels and Restaurants	0.7	8.0
Transport and Communication	0.8	4.7
Other Private Services excluding Financial Services Indirectly Measured	1.0	0.3
Producers of Government Services	12.7	9.6
All Industries at Basic Prices	1.4	-2.3
Taxes on Products	7.0	3.1
GDP at Constant 2000 Prices	2.2	-1.5

Source: SIB

⁽¹⁾ Percentage growth in the first six months of the year compared to the same period of the previous year.

^R - Revised

^P - Provisional

Table A.11: Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn			
	Quarter 1 2015 ^R	Quarter 2 2015 ^R	Quarter 1 2016 ^P	Quarter 2 2016 ^P
Agriculture, Hunting and Forestry	77.0	73.2	65.9	69.8
Fishing	36.4	26.9	7.7	4.2
Manufacturing (including Mining and Quarrying)	67.2	62.9	64.6	59.6
Electricity and Water	24.0	35.2	34.6	32.2
Construction	18.5	18.2	20.6	20.4
Wholesale and Retail	108.8	111.8	110.9	114.3
Hotels and Restaurants	37.6	28.2	39.3	31.7
Transport and Communication	75.7	74.8	79.4	78.1
Other Private services excluding Financial Services Indirectly Measured	107.9	107.2	107.8	107.9
Producers of Government Services	68.3	71.2	76.8	76.2
All Industries at Basic Prices	621.4	609.6	607.6	594.5
Taxes on Products	111.8	115.1	115.3	118.7
GDP at Constant 2000 Prices	733.2	724.7	722.9	713.2

Source: SIB

^R - Revised^P - Provisional

Table A.12: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	% Change				
		Apr 2016	May 2016	June 2016	June 2016 YTD-2016 over May 2016	June 2016 YTD-2016 over YTD-2015
Food and Non-Alcoholic Beverages	195	107.0	106.6	106.1	-0.4	0.8
Alcoholic Beverages and Tobacco	17	100.1	100.2	99.5	-0.8	-0.3
Clothing and Footwear	83	97.2	99.0	99.0	0.0	1.6
Housing, Water, Electricity, Gas, and Other Fuels	265	102.5	103.5	103.5	0.0	0.7
Furnishing, Household Equipment, and Routine Household Maintenance	69	102.1	101.9	101.9	0.0	0.1
Health	41	113.4	114.5	114.5	0.0	2.6
Transport	136	97.2	100.1	101.0	0.9	-3.0
Communication	33	98.2	97.2	97.2	0.0	-0.9
Recreation and Culture	69	106.4	107.0	106.9	0.0	0.9
Education	32	103.5	103.1	103.1	0.0	1.2
Restaurants and Hotels	7	113.3	106.9	106.9	0.0	3.2
Miscellaneous Goods and Services	52	106.3	106.8	106.8	-0.1	3.6
All Items	1,000	102.9	103.7	103.7	0.0	0.5

Source: SIB

Table A.13: Gross Imports at Cost, Insurance and Freight (CIF) by
Standard International Trade Classification (SITC)

	\$'000			
SITC Section	Jan-June 2015	Jan-June 2016	\$ Change	% Change
0. Food and Live Animals	107,761	116,907	9,146	8.5
1. Beverages and Tobacco	25,967	28,227	2,260	8.7
2. Crude Materials	15,614	20,195	4,582	29.3
3. Minerals, Fuels and Lubricants	144,811	105,117	(39,693)	(27.4)
Of which: Electricity	25,511	13,090	(12,421)	(48.7)
4. Oils and Fats	8,637	6,835	(1,802)	(20.9)
5. Chemical Products	89,533	87,277	(2,256)	(2.5)
6. Manufactured Goods	124,561	114,581	(9,980)	(8.0)
7. Machinery and Transport Equipment	214,679	259,528	44,849	20.9
8. Other Manufactures	72,975	79,927	6,952	9.5
9. Commodities not elsewhere specified	9	195	186	
10. Export Processing Zones	56,418	28,168	(28,251)	(50.1)
11. Commercial Free Zone	159,962	139,507	(20,454)	(12.8)
12. Personal Goods	2,979	1,510	(1,469)	(49.3)
Total	1,023,906	987,975	(35,931)	(3.5)

Sources: CBB and SIB

Table A.14: Balance of Payments

	\$mn	
	Jan-June 2015 ^R	Jan-June 2016 ^P
CURRENT ACCOUNT	-51.6	-143.3
Goods: Exports FOB	599.7	463.2
Goods: Imports FOB	936.2	906.3
Trade Balance	-336.6	-443.2
Services: Credit	519.6	575.9
Transportation	28.8	28.4
Travel	406.7	448.1
Other Goods and Services	58.4	79.4
Government Goods and Services	25.7	20.0
Services: Debit	196.4	201.7
Transportation	68.1	67.2
Travel	37.9	44.7
Other Goods and Services	77.5	75.9
Government Goods and Services	12.9	14.0
Balance on Goods and Services	-13.4	-68.9
Primary Income: Credit	7.4	7.2
Compensation of Employees	2.4	2.4
Investment Income	5.0	4.8
Primary Income: Debit	120.2	163.0
Compensation of Employees	8.6	6.8
Investment Income	111.5	156.2
Balance on Goods, Services and Primary Income	-126.2	-224.7
Secondary Income: Credit	110.6	127.1
Secondary Income: Debit	36.1	45.7
CAPITAL ACCOUNT	14.0	32.5
Capital Account: Credit	14.0	32.5
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-124.6	-101.7
Direct Investment Abroad	0.5	2.8
Direct Investment in Reporting Economy	146.4	149.9
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	70.1	-7.9
Other Investment Liabilities	48.7	-53.3
NET ERRORS AND OMISSIONS	17.0	24.6
OVERALL BALANCE	104.0	15.4
RESERVE ASSETS	104.0	15.4

Source: CBB

^R - Revised^P - Provisional

Table A.15: International Investment Position

	\$mn		
	Jan-Mar 2016	Apr-June 2016	Quarterly Change
Net position	-5,580.8	-5,636.1	-55.3
A. Assets	1,322.9	1,329.1	6.2
1. Direct Investment Abroad	135.2	136.4	1.1
2. Portfolio Investment	56.1	70.0	14.0
2.1 Equity Securities	9.0	11.8	2.8
2.2 Debt Securities	47.0	58.2	11.2
3. Other Investment	247.4	233.4	-13.9
3.1 Trade Credits	-1.3	-1.3	0.0
3.2 Loans	7.9	8.0	0.1
3.3 Currency and Deposits	214.1	212.1	-2.0
3.4 Other Assets	26.6	14.6	-12.1
4. Reserve Assets	884.2	889.2	5.0
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	56.4	56.0	-0.4
4.3 Reserve Position in the Fund	17.5	17.3	-0.1
4.4 Foreign Exchange	791.9	797.4	5.5
4.5 Other Claims	18.5	18.5	0.0
B. Liabilities	6,903.7	6,965.1	61.5
1. Direct Investment	4,177.4	4,259.7	82.3
2. Portfolio Investment	1,053.0	1,053.0	0.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,053.0	1,053.0	0.0
3. Other Investment	1,673.3	1,652.4	-20.9
3.1 Trade Credits	2.6	2.6	0.0
3.2 Loans	1,616.5	1,605.0	-11.6
3.3 Currency and Deposits	52.5	40.9	-11.6
3.4 Other Liabilities	1.7	4.0	2.3

Table A.16: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan - June 2015	Jan - June 2016
Total Services	Net	323.2	374.2
	Credits	519.6	575.9
	Debits	196.4	201.7
Manufacturing Services	Net	0.0	0.1
	Credits	0.0	0.1
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-39.2	-38.7
	Credits	28.8	28.4
	Debits	68.1	67.2
Travel	Net	368.8	403.5
	Credits	406.7	448.1
	Debits	37.9	44.7
Telecommunications, Computer, and Information Services	Net	4.1	20.7
	Credits	8.6	28.2
	Debits	4.4	7.5
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-29.5	-25.0
	Credits	0.3	0.3
	Debits	29.8	25.3
Financial Services	Net	2.4	-3.0
	Credits	5.1	3.1
	Debits	2.7	6.0
Charges for the Use of Intellectual Property, n.i.e.	Net	-2.2	-2.8
	Credits	0.0	0.0
	Debits	2.2	2.8
Other Business Services	Net	6.4	13.8
	Credits	44.4	47.7
	Debits	38.0	33.9
Personal, Cultural and Recreational Services	Net	-0.3	-0.3
	Credits	0.0	0.0
	Debits	0.3	0.3
Government Services, n.i.e.	Net	12.7	6.0
	Credits	25.7	20.0
	Debits	12.9	14.0

Table A.17: Private Sector External Debt by Economic Sector^(1,3)

Economic Sectors	Disbursed Outstanding as at 31/12/15	Transactions (December - June 2016)			Disbursed Outstanding as at 30/06/2016
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	58,962	0	106	48	58,856
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	54,231	0	2,651	3,155	51,580
Economic Diversification	1,000	0	111	20	889
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,173	0	5	395	5,168
Financial and Insurance Activities	111	0	0	0	111
Fishing	94,628	0	3,562	1,135	91,066
Information and Communication	904	0	272	40	632
Real Estate Activities	1,274	0	16	7	1,258
Tourism Activities	40,351	0	88	1	40,263
Transportation	34,887	0	1,669	769	33,218
Wholesale and retail trade	1,086	0	0	5	1,086
Other	8	0	7	1	1
Total	294,511	0	8,487	5,575	286,025

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

⁽²⁾ In compliance with legislation issued on 21st June 2011, the Government of Belize acquired Belize Electricity Ltd. (BEL) as a public entity. BEL is no longer a private sector entity, thus reflecting a reduction in disbursed outstanding debt (DOD) for the electricity and gas sector as of June 2011.

⁽³⁾ At the time of reporting not all companies have submitted their balance sheets to the Central Bank of Belize.

Table A.18: Exports of Sugar and Molasses

	Jan-June 2015		Jan-June 2016	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	68,399	71,872	77,055	61,283
E.U.	55,288	57,977	75,679	59,730
USA	10,923	11,402	0	0
Caricom	2,165	2,459	1,353	1,519
Other	22	34	22	34
Molasses	14,424	3,570	23,660	5,409

Source: SIB

Table A.19: Export Sales of Citrus Products

	Jan-June 2015		Jan-June 2016	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
U.S.A.				
Orange	9,910.1	21,363	8,871.4	22,965
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	3,895.3	12,731	3,728.8	12,138
Grapefruit	260.3	966	359.3	1,332
Europe				
Orange	2,428.5	6,899	1,032.7	2,860
Grapefruit	520.1	2,314	965.7	3,325
Other				
Orange	67.6	192	101.5	281
Grapefruit	60.0	244	60.1	200
Sub-Total ⁽¹⁾	17,141.9	44,709	15,119.5	43,101
Orange	16,301.5	41,185	13,734.4	38,245
Grapefruit	840.4	3,524	1,385.1	4,857
Not-From-Concentrate				
Sub-Total	32.2	181	25.6	143.4
Orange	25.1	136	20.8	118
Grapefruit	7.1	45	4.7	25
Total Citrus Juices	17,174.1	44,890	15,145.1	43,245
Pulp (pounds '000)				
Total ⁽¹⁾	2,086.1	1,584	2,055.1	1,555
Orange	1,980.1	1,503	1,927.1	1,460
Grapefruit	106.0	81	128.0	95

Source: CPBL

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

Table A.20: Exports of Marine Products

	Jan-June 2015		Jan-June 2016	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	176	4,993	286.9	6,043.3
Shrimp	6,724	37,765	295.4	2,808.5
Conch	281	3,245	420	5,028.8
Other Fish	538	682.3	251	327.6
Total	7,718	46,686	1,254	14,208

Sources: SIB and CBB

Table A.21: Banana Exports

	Jan-June 2015	Jan-June 2016
Volume (metric tons)	53,643	36,109
Value (\$'000)	59,698	39,959

Source: BGA

Table 6.22: Petroleum Exports

	Jan-June 2015	Jan-June 2016
Volume (Barrels)	179,622	200,616
Value (\$'000)	18,138	12,443

Source: Petroleum and Geology Department

Table A.23: Other Major Exports

	Jan-Mar 2015	Jan-Mar 2016
Other Miscellaneous Exports (\$'000)	21,538	19,917
Of which:		
<u>Papaya</u>		
Volume ('000 lbs)	9,493	3,104
Value (\$'000)	3,575	1,868

Sources: SIB and CBB

Table A.24: Central Government Domestic Debt by Creditor⁽¹⁾

	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH JUNE 2016				Disbursed Outstanding Debt 31/06/16 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	63,759	0	0	2,758	13,309	77,068
Central Bank	63,759	0	0	2,758	13,309	77,068
Domestic Banks	0	0	0	0	0	0
Treasury Bills	200,000	0	0	34	0	200,000
Central Bank	24,996	0	0	1	(24,996)	0
Domestic Banks	149,982	0	0	30	39,013	188,995
Other	25,022	0	0	3	(14,017)	11,005
Treasury Notes	225,000	40,000	0	4,704	0	265,000
Central Bank	157,026	40,000	0	2,938	(28,550)	168,476
Domestic Banks	0	0	0	0	20,099	20,099
Other	67,974	0	0	1,766	8,451	76,425
Atlantic Bank Limited	241	0	179	7	0	62
Heritage Bank Limited	2,374	0	312	114	0	2,062
Belize Social Security Board ⁽²⁾	395	0	20	16	0	375
Fort Street Tourism Village	355	0	271	0	0	84
Debt for Nature Swap	2,320	0	86	33	0	2,234
Total	494,445	40,000	868	7,666	13,309	546,886

^R - Revised^P - Provisional⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.⁽²⁾ Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.25: Central Government Revenue and Expenditure

	\$'000					
	Approved Budget 2016/2017	Jan 2015 to June 2015	Jan 2016 to June 2016	Apr 2015 to June 2015	Apr 2016 to June 2016	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,088,540	534,695	505,531	264,689	257,092	23.6%
1). Current Revenue	1,041,042	517,684	498,893	250,228	252,536	24.3%
Tax Revenue	936,597	457,479	459,754	216,303	236,387	25.2%
Income and Profits	256,051	138,054	130,866	62,837	63,417	24.8%
Taxes on Property	5,682	3,492	4,606	1,701	2,634	46.4%
Taxes on Goods and Services	366,187	183,152	209,883	89,014	117,591	32.1%
International Trade and Transactions	308,677	132,781	114,399	62,751	52,745	17.1%
Non-Tax Revenue	104,445	60,205	39,138	33,925	16,149	15.5%
Property Income	20,064	8,619	8,759	7,829	3,102	15.5%
Licences	12,646	8,322	7,203	4,216	2,457	19.4%
Other	71,735	43,264	23,176	21,880	10,591	14.8%
2). Capital Revenue	5,916	2,962	1,617	1,672	840	14.2%
3). Grants	41,581	14,049	5,022	12,789	3,717	8.9%
TOTAL EXPENDITURE (1+2)	1,151,104	584,408	557,811	251,176	259,564	22.5%
1). Current Expenditure	959,193	424,839	469,753	194,365	219,897	22.9%
Wages and Salaries	402,731	175,346	197,423	89,808	100,060	24.8%
Pensions	67,169	31,060	38,581	15,250	19,095	28.4%
Goods and Services	224,536	105,801	107,066	42,315	48,298	21.5%
Interest Payments on Public Debt	99,030	41,946	46,905	7,658	10,265	10.4%
Subsidies and Current Transfers	165,726	70,686	79,778	39,334	42,178	25.5%
2). Capital Expenditure	191,911	159,569	88,058	56,812	39,667	20.7%
Capital II (Local Sources)	93,432	61,217	46,374	24,960	22,319	23.9%
Capital III (Foreign Sources)	95,973	95,088	40,469	29,221	16,743	17.4%
Capital Transfer and Net Lending	2,507	3,265	1,215	2,630	605	24.1%
Unidentified Expenditure						
CURRENT BALANCE	81,849	92,845	29,140	55,863	32,639	39.9%
Primary Balance	36,465	(7,767)	(5,375)	21,171	7,793	21.4%
OVERALL BALANCE	(62,565)	(49,713)	(52,280)	13,513	(2,472)	4.0%
Primary Balance less BCB award	(5,115)	(21,816)	(10,396)	8,381	4,076	-79.7%
Overall Balance less BCB award	(104,146)	(63,762)	(57,302)	723	(6,189)	5.9%
FINANCING	62,565	49,713	52,280	(13,513)	2,472	
Domestic Financing		(24,160)	66,998	(67,473)	6,314	
Central Bank		(27,084)	(871)	(59,013)	(35,630)	
Net Borrowing		18,573	(237)	(6,304)	(27,906)	
Change in Deposits		(45,657)	(634)	(52,710)	(7,724)	
Commercial Banks		(10,703)	73,726	(686)	42,457	
Net Borrowing		1,079	58,618	7,363	46,889	
Change in Deposits		(11,782)	15,108	(8,049)	(4,432)	
Other Domestic Financing		13,627	(5,856)	(7,774)	(513)	
Financing Abroad		72,243	(12,637)	45,645	(4,837)	
Disbursements		107,307	29,132	63,479	19,057	
Amortization		(35,064)	(41,768)	(17,834)	(23,894)	
Nationalization of BEL					0	
Nationalization of BTL					0	
Other		1,629	(2,082)	8,315	996	

Sources: CBB and MOF

P - Provisional

Table A.26: Public Sector External Debt by Creditor

	\$'000					
	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH JUNE 2016			Disbursed Outstanding Debt 30/06/16 ^P	
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,271,468	29,132	41,768	39,594	328	2,259,159
Government of Venezuela	373,269	12,909	5,809	1,826	0	380,369
Kuwait Fund for Arab Economic Development	17,710	0	956	376	123	16,877
Republic of China	249,150	0	13,146	2,528	0	236,005
Caribbean Development Bank	227,800	8,248	8,243	3,556	0	227,803
Caricom Development Fund	2,398	0	391	61	0	2,007
European Economic Community	8,893	0	231	22	178	8,840
Inter-American Development Bank	239,026	3,367	8,937	2,692	0	233,456
International Fund for Agriculture Development	2,685	0	253	25	27	2,459
International Bank for Reconstruction and Development	25,290	4,608	1,721	391	0	28,177
Opec Fund for International Development	47,925	0	1,903	1,072	0	46,022
Central American Bank for Economic Integration	24,317	0	179	718	0	24,139
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	16,499	1,002	1,690	274	4	15,815
Kuwait Fund for Arab Economic Development	658	0	331	11	4	331
Caribbean Development Bank ^{(1) (2)}	15,841	1,002	1,359	262	0	15,484
FINANCIAL PUBLIC SECTOR	64,209	4,000	417	210	473	68,264
Caribbean Development Bank	14,466	4,000	400	209	0	18,066
European Economic Community	149	0	17	1	3	136
International Monetary Fund ⁽³⁾	49,593	0	0	0	470	50,063
GRAND TOTAL	2,352,175	34,134	43,876	40,078	805	2,343,239

^R - Revised

^P - Provisional

⁽¹⁾ Effective 21 June 2011, the nationalization of Belize Electricity Limited caused an increase (\$23.1mn) in debt, which was matched by Government's acquisition of assets of equal value.

⁽²⁾ Effective 3 October 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize's repurchase of the company.

⁽³⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.