



# MONTHLY ECONOMIC REPORT



OCTOBER 2012

## List of Acronyms and Abbreviations

### **Acronyms:**

BGA	Banana Growers Association
BMC	Belize Mortgage Company
BSI	Belize Sugar Industries
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CPBL	Citrus Products of Belize Limited
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CPB	Citrus Products of Belize
DFC	Development Finance Corporation
ENDA	Emergency Natural Disaster Assistance
EU	European Union
GST	General Sales Tax
IDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
LIBOR	London Interbank Offered Rate
IMF	International Monetary Fund
MOF	Ministry of Finance
OFID	OPEC Fund for International Development
OPEC	Organisation of the Petroleum Exporting Countries
Ps	Pound solid
Pps	Per pound solid
ROC/Taiwan	Republic of China/Taiwan
SDR	Special Drawing Right
SIB	Statistical Institute of Belize
TC/TS	Tons Cane to Tons Sugar
T-bills	Treasury bills
T-notes	Treasury notes

### **Abbreviations and Conventions:**

- \$ refers to the Belize dollar unless otherwise stated
- bn denotes billion
- mn denotes million

### **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 2012 figures in this report are provisional and the figures for 2011 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.

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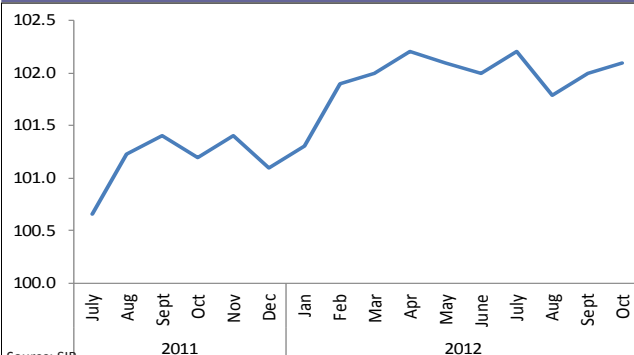
# Summary of Economic Indicators

**Chart I: GDP Growth Rate  
(Year on Year - Percentage Change)**



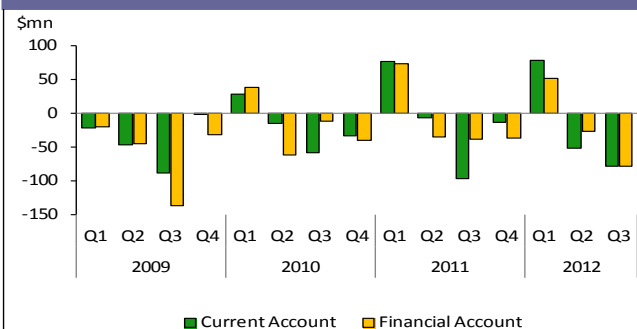
Source: SIB

**Chart II: Consumer Price Index  
(All Items)**



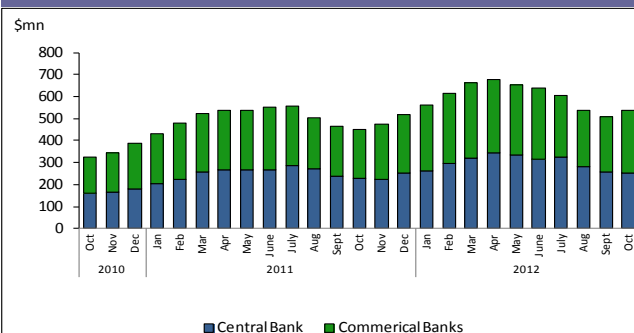
Source: SIB

**Chart III: BOP Current Account and Financial Account**



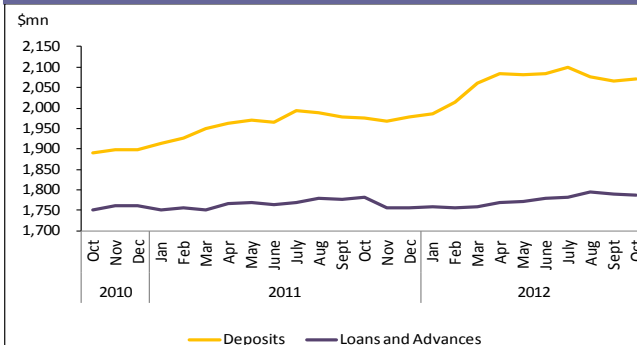
■ Current Account ■ Financial Account

**Chart IV: Net Foreign Assets**



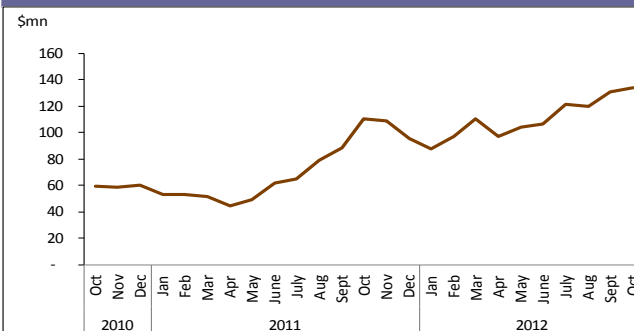
■ Central Bank ■ Commercial Banks

**Chart V: Commercial Banks - Deposits and Loans and Advances**

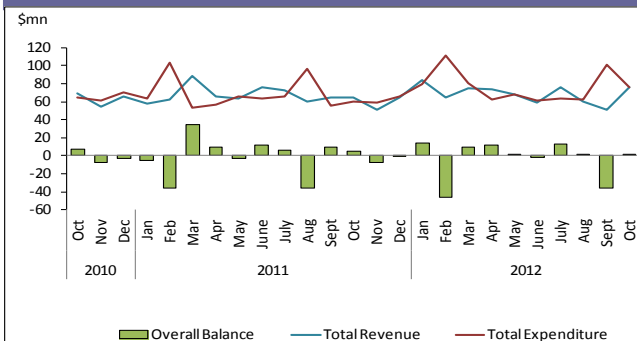


— Deposits — Loans and Advances

**Chart VI: Excess Cash Balances**



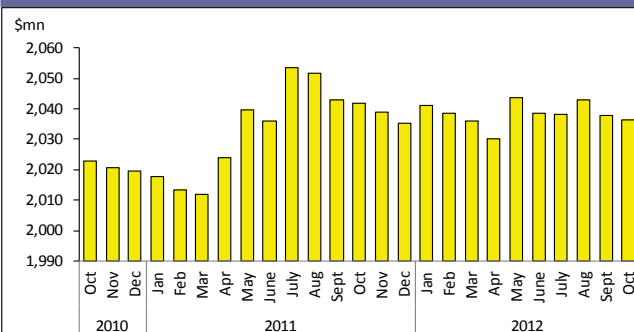
**Chart VII: Central Government's Operations**



Source: MOF

■ Overall Balance ■ Total Revenue ■ Total Expenditure

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



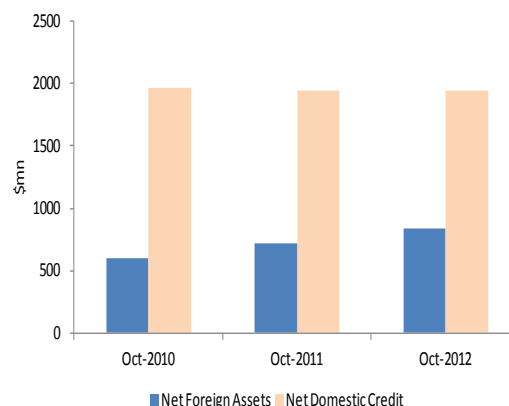
## Money & Credit

In consonance with the uptick in economic activity, broad money grew by 4.9% between January and October, higher than the 0.9% contraction of 2010 and 4.1% increase recorded for 2011. Growth was mostly driven by an 11.3% expansion in net foreign assets, as net domestic credit increased by 1.6%.

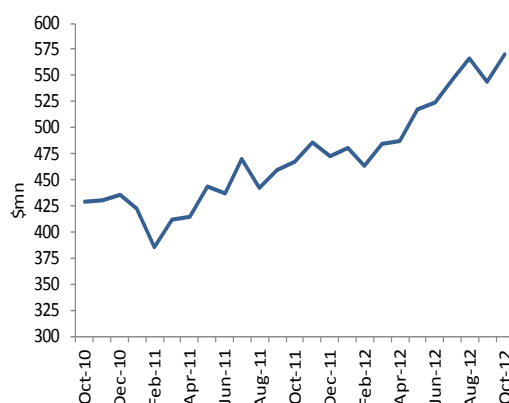
Boosted by a \$26.4mn increase in October that included \$10.0mn in sugar export receipts and the Belize Sugar Industry's full repayment of its \$10.0mn crop loan from Central Government, net foreign assets of the Central Bank rose by \$86.6mn during the period. The Central Bank recorded year-to-date inflows of \$276.3mn that were mainly sourced from sugar receipts (24.0%), domestic oil taxes (24.7%), loan disbursements (18.3%) and purchases from commercial banks (13.0%). Outflows of \$198.6mn included sales to Central Government of \$159.8mn, of which external debt servicing used \$120.0mn, 1.2% below that which was recorded for the comparable period of 2011 and including only half of the interest payable in August on the super bond. After increasing by \$90.1mn to \$344.1mn over the first four months of the year, the net foreign assets of the commercial banks declined over the subsequent months to \$252.0mn at the end of October, the lowest level since the start of the year. Foreign exchange consumption was driven by higher outlays on imports (particularly sizeable payments to suppliers of fuel and electricity) that outpaced inflows from tourism, direct investments and Commercial Free Zone sales, as well as a \$14.7mn contraction in commercial banks' short term liabilities.

In contrast to an \$11.8mn reduction that occurred over the first ten months of 2011, net domestic credit grew by \$30.7mn during the comparable period of this year, with

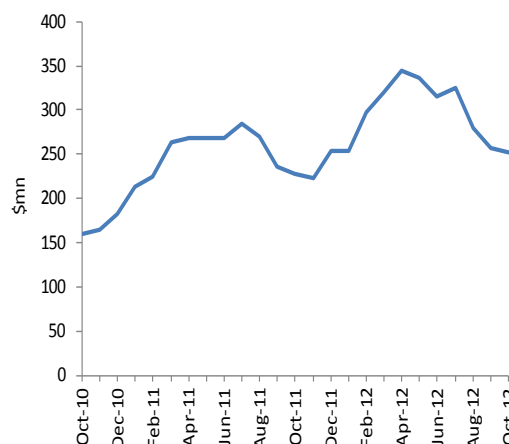
**Chart 1.1: Net Foreign Assets and Net Domestic Credit**



**Chart 1.2: Gross International Reserves**



**Chart 1.3: Commercial Banks' Net Foreign Assets**



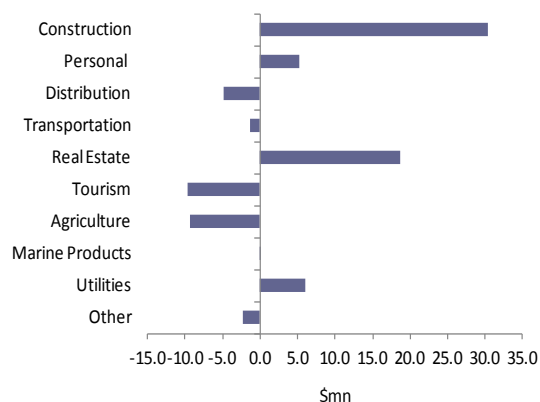
across-the-board increases in lending to the private sector, other public sector and Central Government of \$21.0mn, \$6.5mn and \$3.2mn, respectively. The growth in net credit to Central Government resulted from increases of \$10.9mn in its overdraft facility at the Central Bank and \$3.5mn in loans from the commercial banks that were partly offset by a \$5.8mn rise in its deposits with the Central Bank.

Continued write-offs of non-performing loans to the tune of \$5.1mn again contributed to a marginal decline in private sector credit during the month. Despite this second consecutive month of decline, private sector credit rose by 1.2% (\$21.0mn) over the year led by disbursements of \$35.2mn to the secondary sector, most of which went on construction projects. Personal loans recorded marginal growth of \$5.3mn while primary and tertiary sector loans contracted by \$9.6mn and \$0.2mn, respectively, owing to a combination of write-offs and net repayments. Lending by the five largest credit unions grew by \$27.6mn, which was almost twice the amount recorded during the same period in 2011, as new loans for individuals, real estate activities, and residential construction outpaced repayments on loans for distribution, agriculture and tourism.

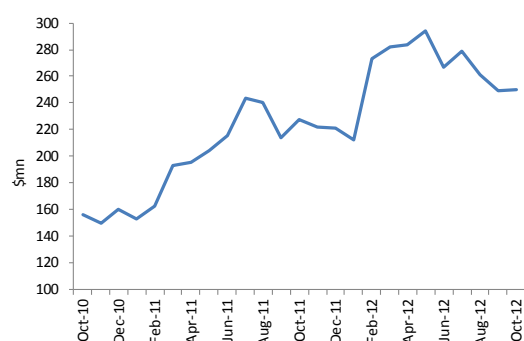
The growth in excess statutory liquidity slowed to 13.1%, in comparison to a 42.4% growth recorded during the same period of 2011, as higher foreign exchange outflows reduced commercial banks' foreign assets. Average holdings of approved liquid assets rose by \$55.7mn against a \$26.8mn increase in the required level. Meanwhile, excess cash balances rose by 40.5% to \$134.3mn, which was 72.8% above required levels.

The persistence of high levels of liquidity in the banking system underpinned a 90 basis points fall in the weighted average lending rate to 12.12%, with all loan categories recording rate cuts, of which the most notable consisted of

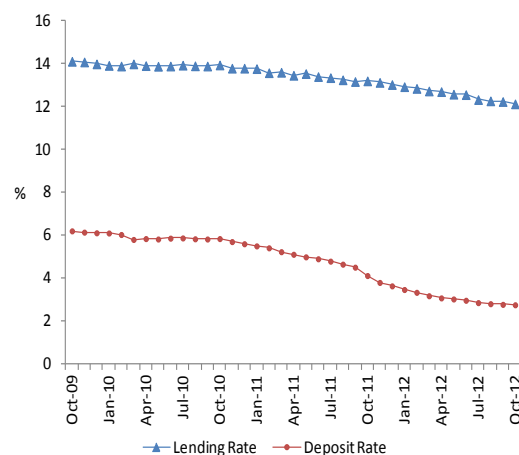
**Chart 1.4: Changes in Commercial Banks' Loans and Advances  
December 2011 - October 2012**



**Chart 1.5: Excess Statutory Liquidity**



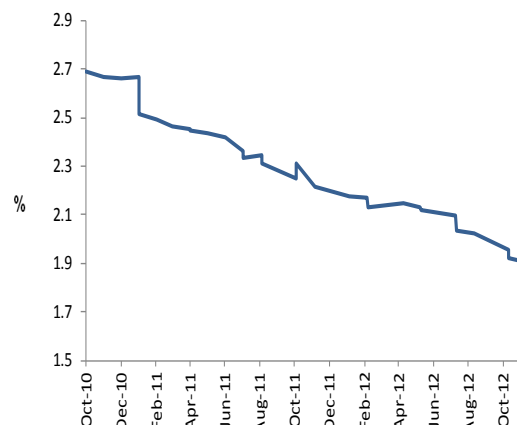
**Chart 1.6: Commercial Banks' Weighted Average Lending and Deposit Interest Rates**



123 basis points for residential construction and 102 basis points for personal loans. At the same time, a reduction of 134 basis-points in the time deposit rate was the major driver of the 88 basis points reduction in the weighted average deposit rate to 2.77%, 2 basis points below the previous month and the lowest level since 1977. As a result, the weighted average spread decreased by 2 basis points to 9.35%.

In this environment, the interbank market remained dormant and the Central Bank surrendered its holdings of Treasury bills, which were taken up by commercial banks. As a result, commercial banks' Treasury bill holdings over the ten-month period rose by \$22.2mn to \$173.2mn, with the weighted average yield declining from 2.21263% at the last auction in 2011 to 1.90302% in November. The latter was 2 basis points lower than the preceeding auction and 31 basis points below the average yield recorded in November 2011.

**Chart 1.7: Treasury Bill Yield**



## Real Sector Developments

Aside from a sharp downturn in petroleum extraction, production of the other domestic exports was on the upside for January through October. Double digit increases in the deliveries of sugarcane and citrus fruit led to similar growth in outputs of sugar and citrus juices, while banana production had the largest expansion of 34.5%. The banana and citrus crops recovered from weather-induced downturns in output over the comparable period of 2011. Combined, export receipts from sugar, banana and citrus juices rose by \$65.4mn but could not compensate for the \$88.5mn drop in that of crude oil.

Owing largely to a 10.3% increase in visitors entering through the international airport, stay-over tourist arrivals rose by 9.2% to 208,397 during the review period. In contrast, cruise ship disembarkations fell by 9.3% to 439,837, despite a four-ship increase in port calls. The fall in cruise visitors could be traced to smaller vessels, the lack of adequate docking facilities and the expansion of routes by North American cruise lines to long-haul, non-traditional destinations. The latter caused a general decrease in cruise ship disembarkations throughout the Caribbean.

### Consumer Price Index

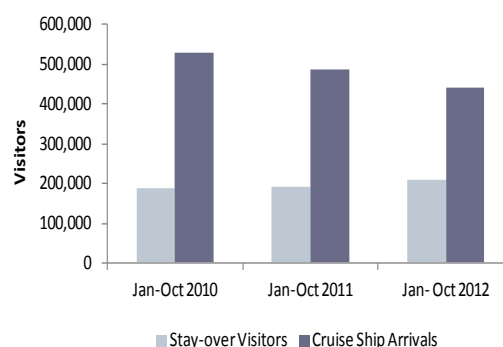
Consumer prices edged up by 0.1% in October and by 0.8% over October 2011. The year-on-year increase was led by a 1.0% increase in the "Food and Non Alcoholic Beverages" category, which mostly reflected higher prices for meat, specifically poultry and seafood (shrimp). Price hikes for nightclub entertainment, motor vehicle insurance and hospital accommodation contributed to expansions in "Recreation and Culture" (5.0%), "Miscellaneous Good and Services" (4.1%) and "Health" (6.8%), respectively. Where "Transportation" is concerned, higher prices for gasoline and motor oil were almost completely offset by lower international airfares.

**Table 2.1 Main Domestic Exports**

	\$mn	
	Jan-Oct 2011	Jan-Oct 2012
Sugar	82.7	107.5
Molasses	2.9	3.8
Bananas	59.9	78.7
Citrus	83.8	104.7
Petroleum	246.1	157.6
<b>Total</b>	<b>475.4</b>	<b>452.3</b>

Sources: BSI, BGA, CPBL, Geology and Petroleum Dept.

**Chart 2.1: Tourist Arrivals**



Sources: BTB and CBB



## Sugar

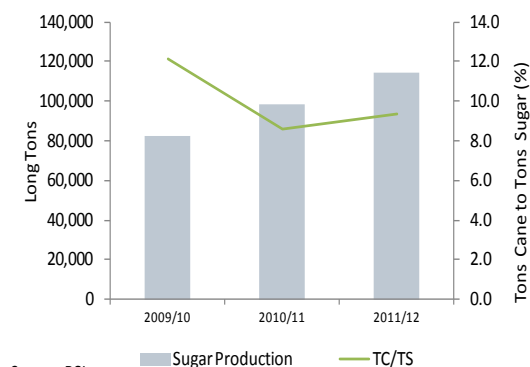
With the harvest closing on 7 June 2012, sugarcane deliveries for the crop year surpassed the 2010/11 harvest by 26.8% to 1,070,278 long tons. Sugar production rose by a less than proportional 16.3% to 114,536 long tons, as excessive rains diluted the crop's sucrose content and caused a 9.0% decline in the cane/sugar ratio. Even so, sugar production exceeded the 100,000 long ton mark for the first time since the 2005/06 crop. Molasses production also posted a 7.8% gain to 30,955 long tons.

The hike in sugar production facilitated an 18.8% increase in export volume to 97,114 long tons, and with the average price up by 9.4%, revenues registered a 30.0% increase. Rising world prices since early 2011 prompted traditional buyers such as Tate & Lyle to offer a premium on the base reference price of €335.0 per metric ton in order to attract and retain suppliers. The average price received consequently increased to €400.0 per metric ton. The additional motivating factor of the EU's 'Fair Trade' premium of US\$60.0 per metric ton resulted in 82.3% of sales being directed to that market with the US market garnering 17.6% and Canada receiving the residual 100 long tons. Molasses exports rose by 5.6% to 22,135 long tons, while improved prices due to production shortfalls in major molasses producers such as India and Afghanistan caused revenues to increase by 31.7% to \$3.8mn.

## Citrus

Deliveries for the 2012/13 crop, which commenced in the last week of October, are projected at 5.7mn boxes of orange and 0.9mn boxes of grapefruit, similar to the production levels of the 2011/12 harvest. After two favourable years, prices are expected to decline for orange concentrate due to an increase in global supplies, particularly from Brazil. The initial estimated price for

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



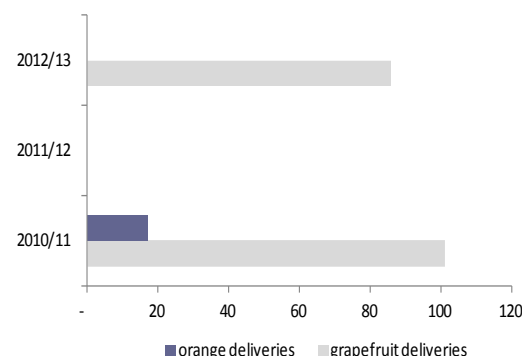
Source: BSI

**Chart 2.3: Sugar Exports**



Source: BSI

**Chart 2.4: Citrus Deliveries October**



orange is \$1.20 per pound solid (ps) or \$7.08 per box. On the flipside, the grapefruit price is projected to increase to \$2.13 per ps or \$8.32 per box in response to the Citrus Greening occurring in Cuban grapefruit production.

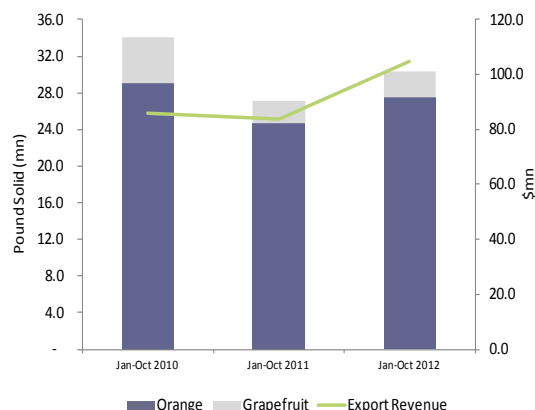
The 2012/2013 crop year opened one week earlier than the previous crop year on 24 October 2012 amid a storm of controversy. Members of the CGA refused to deliver fruit on the grounds that prices for their fruit should have been agreed on between the processor and the Association before the opening of the factory. Farmers were being paid \$8.00 when they believed the actual price should be around \$13.00 per box. Government along with the stake holders came to an agreement and delivery has reverted to normal. Deliveries for October consequently amounted to just 85,788 boxes of grapefruit.

For January through October, grapefruit concentrate exports increased by 14.6%, and backed by an 11.2% increase in that of orange, citrus juice sale volume grew by 11.5% to 30.3mn ps. Concurrently, revenues expanded by 24.9% to \$104.6mn, as lower global stocks underpinned a general rally in concentrate prices. The Caribbean and the US accounted for 31.4% and 28.9%, respectively, of orange concentrate export volume. Price improvements for orange concentrates resulted from reports of lower juice stocks in Florida and the rebuilding of depleted inventories by Brazilian producers. A smaller grapefruit harvest in Texas combined with lower juice stocks in Florida supported a further strengthening of grapefruit prices, so revenues from grapefruit concentrate rose by 33.0% to \$10.1mn.

## Banana

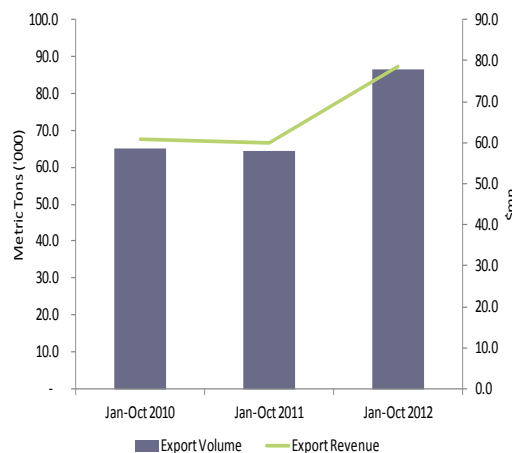
Banana production grew by 34.5% for January through October in response to the rehabilitation of storm-damaged acreages and favourable weather. The inclusion of third class banana in the export mix reduced the average

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



Source: CPBL

**Chart 2.6: Banana Exports**



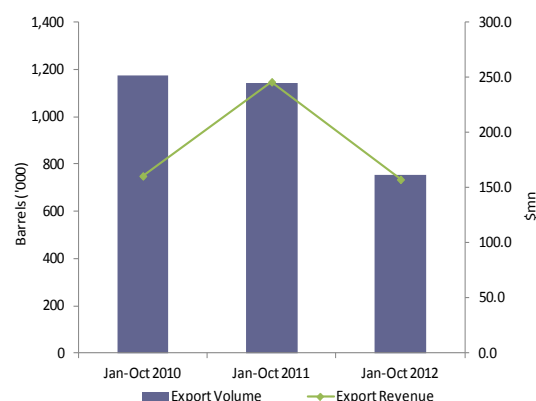
Source: BGA

price per box by 2.5%. Consequently, revenues increased by 31.3% to \$78.7mn. The Banana Growers Association and Fyffes entered the final year of their exclusive marketing contract with negotiations for the extension of this agreement having already begun.

## Petroleum

Output from the Spanish Lookout and Never Delay oil fields declined by 25.1% and 45.7%, respectively, so total production contracted by 26.4% to 876,547 barrels, when compared to the first ten months of 2011. Mirroring production, oil exports declined even more sharply by 33.9% to 756,401 barrels, as supply constraints allowed only one export shipment per month instead of the customary two. Export revenue fell by a proportionately larger 36.0% to \$157.6mn with the added depressant of a 3.1% decline to US\$104.15 per barrel in the average year-to-date price. The counter seasonal build-up in inventories during September and weakened global demand (due to concerns about the U.S. fiscal cliff and the debt overhang in certain European countries) underpinned a fall in crude oil prices from the previous month's peak.

**Chart 2.7: Petroleum Exports**



Source: Geology & Petroleum Dept.

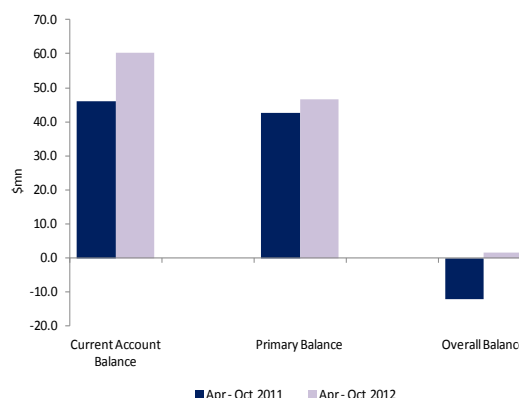
## Central Government Operations

For January through October, Central Government's fiscal position weakened when compared with the same period of the previous year. Operations yielded a primary surplus of \$67.1mn, a \$13.7mn year-on-year reduction, while the overall deficit widened by \$2.9mn to \$20.9mn as a \$59.5mn increase in revenues was overshadowed by a \$62.4mn rise in expenditure. The growth in revenue came from the General Sales Tax (GST), import duties, non-tax revenues and grants, while receipts from the petroleum industry fell.

During April to October, the first seven months of the 2012/2013 fiscal year, revenues rose by \$25.9mn to \$497.4mn, buoyed by higher collections from the GST, revenue replacement duties, licenses, repayment of loans and grant receipts from the European Union for the banana and sugar support programmes. Repayment of old loans was bumped up by the \$10.0mn loan repayment by the Belize Sugar Industry Limited (BSI). On the downside, petroleum revenues fell by \$6.8mn due to declining production and lower international prices. While taxes on international trade edged up overall, import duties declined by \$1.3mn as taxes on petroleum imports reverted from a fixed import duty back to a general sales tax on July 31, 2012. In addition, the court-mandated withholding of BTL dividends caused property income to fall by \$5.0mn.

With revenue outpacing expenditure, the fiscal out-turn yielded higher current, primary and overall surpluses of \$60.2mn, \$46.7mn and \$1.5mn respectively, when compared to the corresponding period in 2011. The overall surplus along with external disbursements facilitated reductions in domestic financing and an increase in deposits.

**Chart 3.1: Central Government Operations**



Source: MOF

**Chart 3.2: Central Government Revenues**



Source: MOF

At \$495.9mn, expenditure was \$12.2mn higher year-on-year and stood at 52.9% of budget. Current spending rose by \$2.9mn as all categories increased with the exception of interest payments that fell by \$9.6mn. The latter reflected the 50.0% payment of interest on the super-bond in September. Meanwhile, the increase in subsidies reflected the reclassification of teachers' salaries as domestic grants.

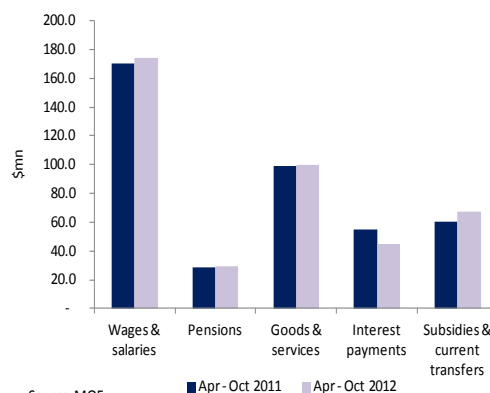
At 50.2% of budget, capital expenditure rose by \$9.3mn to \$80.4mn, of which \$2.5mn consisted of net lending. Some \$23.8mn went on infrastructural projects such as the completion of works on the Southern Highway, infrastructural developments on the south-side of Belize City, completion of the Kendal Bridge, and maintenance/rehabilitation of highways. Another \$14.7mn was spent on agriculture, mainly in the sugar and banana belt. Land development and solid waste management accounted for \$10.5mn, while social and environmental projects received \$16.0mn. Youth, sports and culture were allotted \$4.6mn. Outlays on education, health, housing, security, energy, science and technology amounted to \$3.7mn, and the remainder was spent on furniture, equipment and upgrading of buildings.

### Domestic Debt

Central Government's domestic debt rose by 3.1% to \$392.9mn over the first ten months of the year as a \$10.9mn rise in overdraft financing from the Central Bank and disbursements of \$2.8mn eclipsed amortization payments of \$2.0mn that went mostly to the commercial banks, the Belize Social Security Board (BSSB), the Debt for Nature Swap and the Fort Street Tourism Village. Disbursements included \$2.2mn, which was on-lent by Central Government to the Belize City Council, and \$0.6mn from Fort Street Tourism Village for dredging at the mouth of the Belize River.

With its holdings of Treasury bills down to zero and sale

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



Source: MOF

**Table 3.1: Central Government's Capital Expenditure**

	Apr - Oct 2011	Apr - Oct 2012
Public Works	19.14	23.77
Environmental Protection	5.02	9.32
Natural Resources	8.87	10.48
Housing	2.50	0.21
Health	1.43	0.75
Education	1.18	1.41
Security & Defense	1.83	0.83
Agriculture & Fisheries	7.89	14.74
Other	19.28	16.44
Net lending	3.99	2.49
<b>Total</b>	<b>71.13</b>	<b>80.44</b>

Source: Ministry of Finance

of some of its Treasury notes to non-bank entities, the Central Bank's share of the domestic debt fell from 42.7% in December 2011 to 37.2%. The commercial banks' share rose from 43.2% to 48.3%, while non-bank holdings increased from 14.1% to 14.5%.

Interest payments summed to \$14.7mn, with \$11.1mn going to the Central Bank for credit provided through the overdraft facility and its portfolio of securities. Commercial banks were paid \$3.0mn and the balance went to the BSSB, the Debt for Nature Swap and Guardian Life.

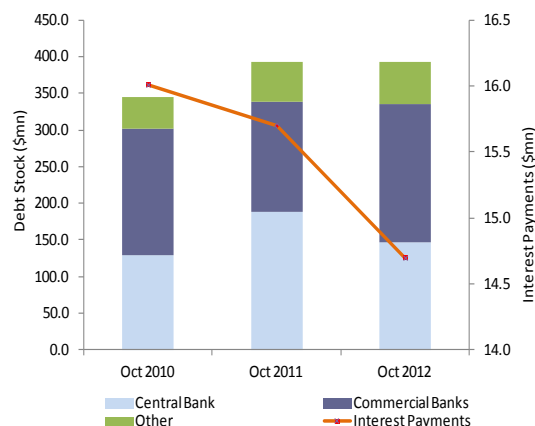
In secondary market activities, the commercial banks increased their Treasury bill holdings by \$22.2mn, while the Central Bank sold Treasury notes worth \$4.3mn to non-bank entities.

### Public Sector External Debt

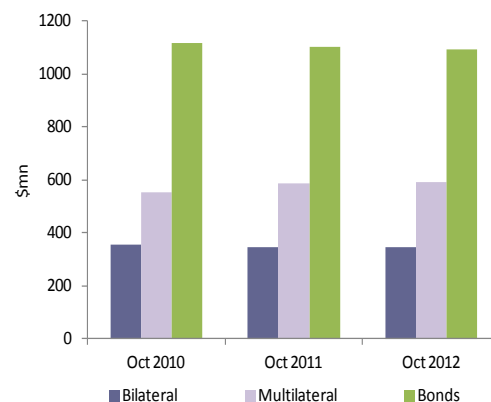
The public sector external debt contracted by \$8.8mn to \$2,036.3mn during the first ten months of the year, as disbursements of \$59.8mn were outweighed by amortization payments of \$68.2mn. Disbursements consisted of \$20.0mn from the ROC/Taiwan for budget support and \$38.2mn from multilateral lenders such as the Inter-American Development Bank (IDB), the OPEC Fund for International Development (OFID) and the Caribbean Development Bank (CDB). CDB funding was channelled into projects such as solid waste management, sustainable tourism, health sector reform, the Kendal Bridge, Santa Elena/San Ignacio Bypass and the Social Investment Fund.

Central Government repaid \$22.5mn to bilateral creditors, of which \$17.6mn went to ROC/Taiwan. Multilateral lenders received \$24.5mn that included \$10.4mn to the CDB, \$8.5mn to the IDB, \$2.8mn to the IBRD, and \$1.8mn to the OFID. The Development Finance Corporation (DFC) paid \$1.3mn to the CDB and retired the North American Securitization debt. The IMF was repaid \$3.6mn for funds

**Chart 3.4: Central Government Domestic Debt**



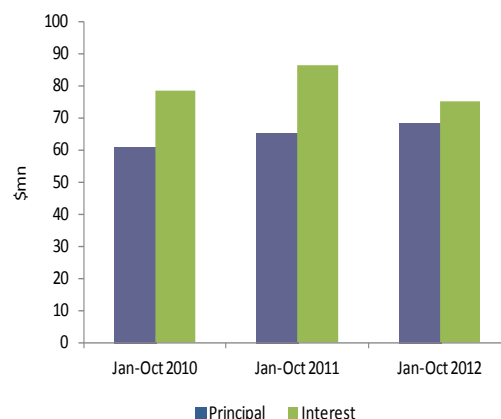
**Chart 3.5: Public Sector External Debt**



advanced under the Emergency Natural Disaster Assistance (ENDA) facility. The non-financial public sector repaid \$5.0mn to multilateral lenders, \$4.0mn to commercial banks and \$0.7mn to the Government of Kuwait.

At \$75.1mn, interest payments were \$11.2mn lower than the amount paid during the comparable period of 2011 due to a fall in the lending rates on some external loans that are tied to the LIBOR and the decision by the Government to pay 50.0% of the interest that was due on the super bond in August as a result of ongoing debt restructuring negotiations. Holders of the super bond received 75.2% of the scheduled interest payable in 2012. Payments to bilateral creditors were \$7.4mn, of which \$6.0mn went to ROC/Taiwan, while the \$10.8mn in payments to multilateral lenders went mostly to the CDB.

**Table 3.6: External Debt Service**



# Statistical Appendix

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

\$mn

	Position as at Oct 2012	Changes During		
		Sept 2012 to Oct 2012	Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>Net Foreign Assets</b>	<b>837.0</b>	<b>22.2</b>	<b>84.7</b>	<b>92.2</b>
Central Bank	585.0	26.4	86.6	46.8
Commercial Bank	252.0	-4.2	-1.9	45.4
<b>Net Domestic Credit</b>	<b>1,945.8</b>	<b>-11.5</b>	<b>30.7</b>	<b>-12.0</b>
Central Government (Net)	160.7	-7.2	3.2	-29.8
Other Public Sector	11.8	-0.5	6.5	-0.6
Private Sector	1,773.3	-3.8	21.0	18.4
<b>Central Bank Foreign Liabilities (Long-term)</b>	<b>66.0</b>	<b>-0.1</b>	<b>-3.4</b>	<b>2.1</b>
<b>Other Items (net)</b>	<b>408.0</b>	<b>-3.7</b>	<b>11.3</b>	<b>-6.9</b>
<b>Money Supply M2</b>	<b>2,308.8</b>	<b>14.5</b>	<b>107.5</b>	<b>85.0</b>

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

\$mn

	Position as at Oct 2012	Changes During		
		Sept 2012 to Oct 2012	Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>Net Foreign Assets of Banking System</b>	<b>837.0</b>	<b>22.2</b>	<b>84.7</b>	<b>92.2</b>
<b>Net Foreign Assets of Central Bank</b>	<b>585.0</b>	<b>26.4</b>	<b>86.6</b>	<b>46.8</b>
Central Bank Foreign Assets	586.9	26.7	86.8	46.4
Central Bank Foreign Liabilities (Demand)	1.9	0.3	0.2	-0.4
<b>Net Foreign Assets of Commercial Banks</b>	<b>252.0</b>	<b>-4.2</b>	<b>-1.9</b>	<b>45.4</b>
Commercial Bank Foreign Assets	257.8	-6.7	-16.6	32.5
Commercial Bank Foreign Liabilities (Short-Term)	5.8	-2.5	-14.7	-12.9



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

\$mn

	Position as at Oct 2012	Sept 2012 to Oct 2012	Changes During Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>Total Credit to Central Government</b>	<b>337.7</b>	<b>-1.5</b>	<b>10.3</b>	<b>20.2</b>
<b>From Central Bank</b>	<b>146.9</b>	<b>-3.6</b>	<b>-15.8</b>	<b>36.0</b>
Loans and Advances	59.0	-3.6	10.9	24.7
Government Securities <sup>(1)</sup>	87.9	0.0	-26.7	11.3
<b>From Commercial Banks</b>	<b>190.8</b>	<b>2.1</b>	<b>26.1</b>	<b>-15.8</b>
Loans and Advances	7.2	1.9	3.5	1.1
Government Securities	183.6	0.2	22.6	-16.9
(of which) Treasury Bills <sup>(2)</sup>	173.2	-0.2	22.2	-16.9
Treasury Notes	10.0	0.0	0.0	0.0
Other	0.4	0.4	0.4	0.0
<b>Less Central Government Deposits</b>	<b>177.0</b>	<b>5.7</b>	<b>7.1</b>	<b>50.0</b>
With Central Bank	140.7	8.6	5.8	43.1
With Commercial Banks	36.3	-2.9	1.3	6.9
<b>Net Credit to Central Government</b>	<b>160.7</b>	<b>-7.2</b>	<b>3.2</b>	<b>-29.8</b>
<b>Credit to Other Public Sector</b>	<b>11.8</b>	<b>-0.5</b>	<b>6.5</b>	<b>-0.6</b>
From Central Bank	0.0	0.0	0.0	0.0
From Commercial Banks	11.8	-0.5	6.5	-0.6
(of which) Local Government	3.0	0.1	-0.1	0.0
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	8.0	0.0	8.0	0.0
Other Statutory Bodies	0.8	-0.2	-1.4	-0.6
Securities	<b>0.0</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.0</b>
<b>Plus Credit to the Private Sector</b>	<b>1,773.3</b>	<b>-3.8</b>	<b>21.0</b>	<b>18.4</b>
Loans and Advances	1,772.3	-3.8	21.0	18.6
Securities	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>
<b>Net Domestic Credit of the Banking System<sup>(3)</sup></b>	<b>1,945.8</b>	<b>-11.5</b>	<b>30.7</b>	<b>-12.0</b>

<sup>(1)</sup> Include government T-bills and T-notes.

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

<sup>(3)</sup> Value may not equal total due to rounding.

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

\$mn

	Position as at Oct 2012	Changes During Sept 2012 to Oct 2012	Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>PRIMARY SECTOR</b>	<b>181.7</b>	<b>-0.6</b>	<b>-9.6</b>	<b>2.3</b>
Agriculture	124.8	-0.2	-9.3	6.1
Sugar	13.2	0.4	-0.2	1.3
Citrus	16.2	-1.0	-1.0	0.0
Bananas	69.9	-0.5	-8.3	2.8
Other	25.5	0.9	-0.2	2.0
Marine Products	35.3	-0.4	0.0	-2.4
Forestry	1.5	0.0	-0.1	0.1
Mining & Exploration	20.1	0.0	-0.2	-1.5
<b>SECONDARY SECTOR</b>	<b>544.0</b>	<b>1.9</b>	<b>35.2</b>	<b>-9.3</b>
Manufacturing	33.8	1.2	-1.3	-7.7
Building & Construction	474.1	0.0	30.3	-4.9
Utilities	36.1	0.7	6.2	3.3
<b>TERTIARY SECTOR</b>	<b>650.7</b>	<b>-2.9</b>	<b>-0.2</b>	<b>18.7</b>
Transport	50.4	-2.2	-1.3	-3.2
Tourism	98.5	-1.4	-9.6	-9.8
Distribution	208.2	-1.6	-4.8	3.1
Other <sup>1</sup>	293.6	2.3	15.5	28.6
<b>Personal Loans</b>	<b>410.8</b>	<b>-0.6</b>	<b>5.3</b>	<b>6.9</b>
<b>TOTAL</b>	<b>1787.2</b>	<b>-2.2</b>	<b>30.7</b>	<b>18.6</b>

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

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

\$mn

	Changes During			
	Position as at Oct 2012	Sept 2012 to Oct 2012	Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>Holdings of Approved Liquid Assets</b>	<b>749.4</b>	<b>-1.5</b>	<b>55.7</b>	<b>91.4</b>
Notes and Coins	58.0	-1.5	0.1	-9.0
Balances with Central Bank	321.7	5.3	53.3	64.7
Money at Call and Foreign Balances (due 90 days)	177.7	-11.3	-16.9	56.6
Treasury Bills maturing in not more than 90 days	172.7	-0.9	15.3	-10.9
Other Approved assets	19.8	6.9	3.9	-10.0
of which: Treasury Notes	10.0	7.5	7.5	-6.6
<b>Required Liquid Assets</b>	<b>499.5</b>	<b>-2.4</b>	<b>26.8</b>	<b>26.6</b>
<b>Excess/(Deficiency) Liquid Assets</b>	<b>249.9</b>	<b>0.9</b>	<b>28.9</b>	<b>64.8</b>
Daily Average holdings of Cash Reserves	318.9	2.4	48.6	59.8
Required Cash Reserves	184.6	-0.9	9.9	9.8
<b>Excess/(Deficiency) Cash Reserves</b>	<b>134.3</b>	<b>3.3</b>	<b>38.7</b>	<b>50.0</b>
Actual Securities Balances	173.9	0.0	22.4	-16.9
Required Securities Balances	0.0	0.0	0.0	-128.3
<b>Excess/(Deficiency) Securities</b>	<b>173.9</b>	<b>0.0</b>	<b>22.4</b>	<b>111.4</b>

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

Percent

	Changes During			
	Position as at Oct 2012	Sept 2012 to Oct 2012	Dec 2011 to Oct 2012	Dec 2010 to Oct 2011
<b>Weighted Lending Rates</b>				
Personal Loans	13.22	-0.10	-1.02	-0.89
Commercial Loans	12.24	-0.11	-0.67	-0.38
Residential Construction	10.65	-0.08	-1.23	-1.12
Other	10.44	-0.09	-1.40	-0.33
<b>Weighted Average</b>	<b>12.12</b>	<b>-0.11</b>	<b>-0.90</b>	<b>-0.59</b>
<b>Weighted Deposit Rates</b>				
Demand	0.59	0.09	0.11	0.05
Savings/ Cheque	2.45	0.01	-0.04	-2.49
Savings	2.90	0.00	-0.08	-2.00
Time	4.03	-0.06	-1.34	-1.66
<b>Weighted Average</b>	<b>2.77</b>	<b>-0.02</b>	<b>-0.88</b>	<b>-1.65</b>
<b>Weighted Average Spread</b>	<b>9.35</b>	<b>-0.09</b>	<b>-0.02</b>	<b>1.06</b>

**Table A.7: Tourist Arrivals**

	Jan-Oct 2011	Jan-Oct 2012
Air	147,401	162,625
Land	33,968	26,460
Sea	9,541	6,871
Stay-over Visitors	190,910	208,397
Cruise Ship Disembarkations	484,885	439,837

Source: Belize Tourism Board

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

	October 2011	October 2012	Dec-Oct 2010/2011	Dec-Oct 2011/2012
Deliveries of Sugarcane (long tons)	0	0	843,786	1,070,278
Sugar Processed (long tons)	0	0	98,482	114,536
Molasses processed (long tons)	0	0	28,727	30,955
Performance				
Factory Time Efficiency (%)	0.0	0.00	90.3	95.27
Cane Purity (%)	0.0	0.00	86.6	85.77
Cane/Sugar	0.0	0.00	8.6	9.34

Source: Belize Sugar Industries

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

	October 2011		October 2012		Jan–Oct 2011		Jan–Oct 2012	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
<b>Sugar</b>	<b>20</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>81,730</b>	<b>82,720</b>	<b>97,114</b>	<b>107,516</b>
E.U.	0	0	0	0	67,900	60,538	79,933	81,756
USA	0	0	0	0	13,730	22,075	17,081	25,645
Caricom	0	0	0	0	0	0	0	0
Other	20	23	0	0	100	107	100	115
<b>Molasses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,968</b>	<b>2,889</b>	<b>22,135</b>	<b>3,805</b>

Source: Belize Sugar Industries

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

	October 2011	October 2012
<b>Deliveries (boxes)</b>		
Orange	0	0
Grapefruit	0	85,788
<b>Total</b>	0	85,788
<b>Concentrate Produced (ps)</b>		
Orange	0	0
Grapefruit	0	352,225
<b>Total</b>	0	352,225
<b>Not from concentrate (ps)</b>		
Orange	0	0
Grapefruit	0	0
<b>Total</b>	0	0
<b>Pulp (pounds)</b>		
Orange	0	0
Grapefruit	0	0
<b>Total</b>	0	0
<b>Oil Produced (pounds)</b>		
Orange	0	0
Grapefruit	0	9,200
<b>Total</b>	0	9,200

Source: Citrus Products of Belize

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

	October 2011		October 2012		Jan-Oct 2011		Jan-Oct 2012	
	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)	Volume (ps '000)	Value (\$ '000)
Citrus Concentrates								
U.S.A.								
Orange	0.0	0	742.2	2,078	5,662.6	16,524	7,943.0	26,903
Grapefruit	0.0	0	0.0	0	0.0	0	0.0	0
Caribbean								
Orange	753.3	2,474	894.4	2950	12,926.9	37,038	8,616.8	27,767
Grapefruit	31.4	106	12.0	42	486.3	1,699	509.4	1,779
Europe								
Orange	0.0	0	649.8	2,389	1,855.6	6,190	7,677.3	29,133
Grapefruit	341.5	1,151			1,197.3	3,831	1,102.1	4,096
Other								
Orange	33.8	110	0.0	0	4,253.8	16,433	3,226.1	10,748
Grapefruit	0.0	0	0.0	0	790.7	2,035	1,224.9	4,185
Sub-Total <sup>(1)</sup>	1,160	3,841	2,298	7,460	27,173	83,750	30,299.7	104,611
Orange	787.1	2,584	2286.4	7,417	24,698.9	76,185	27,463.2	94,551
Grapefruit	372.9	1,257	12.0	42.3	2,474.3	7,565	2,836.4	10,060
Not-From-Concentrate								
Sub-Total	1.1	7	6.0	34	3.2	21	14.1	80.6
Orange	1.1	7	3.7	19	0.0	0	8.7	45
Grapefruit			2.3	15	3.2	21	5.3	35
Total Citrus Juices	1,161.1	3,848	2,304	7,493	27,176.4	83,771	30,313.8	104,692
Pulp (pounds '000)								
Total <sup>(1)</sup>	37.3	29	61.5	49	1,396.4	1,016	1,843.6	1,470
Orange	37.3	29	56.8	45	1,275.1	924	1,450.5	1,158
Grapefruit	0.0	0	4.7	4	121.3	93	393.0	312

Source: Citrus Products of Belize

<sup>(1)</sup> Value may not equal total due to rounding.

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

\$'000

	Approved Budget 2012/2013 <sup>P</sup>	Jan-11 to Oct-11	Jan-12 to Oct-12	Apr-11 to Oct-11	Apr-12 to Oct-12 <sup>P</sup>	Actual YTD as % of Budget
<b>TOTAL REVENUE &amp; GRANTS (1+2+3)</b>	<b>862,643</b>	<b>685,182</b>	<b>744,713</b>	<b>471,493</b>	<b>497,355</b>	<b>57.7%</b>
1). Current revenue	819,369	664,900	694,449	458,542	475,599	<b>58.0%</b>
Tax revenue	683,285	565,288	588,300	395,718	411,415	<b>60.2%</b>
Income and profits	226,157	207,894	200,382	147,246	137,262	<b>60.7%</b>
Taxes on property	6,873	6,286	4,654	3,749	2,912	<b>42.4%</b>
Taxes on goods and services	263,861	200,172	218,663	133,153	155,945	<b>59.1%</b>
Int'l trade and transactions	186,395	150,935	164,601	111,569	115,297	<b>61.9%</b>
Non-Tax Revenue	136,084	99,613	106,149	62,825	64,183	<b>47.2%</b>
Property income	20,609	16,303	12,068	9,489	4,462	<b>21.7%</b>
Licences	12,929	9,778	13,557	6,384	9,165	<b>70.9%</b>
Other	102,546	73,532	80,523	46,952	50,557	<b>49.3%</b>
2). Capital revenue	8,075	4,926	6,173	3,258	2,829	<b>35.0%</b>
3). Grants	35,199	15,355	44,092	9,692	18,927	<b>53.8%</b>
<b>TOTAL EXPENDITURE (1+2)</b>	<b>937,857</b>	<b>703,164</b>	<b>765,571</b>	<b>483,671</b>	<b>495,877</b>	<b>52.9%</b>
1). Current Expenditure	777,734	608,971	623,591	412,533	415,429	<b>53.4%</b>
Wages and Salaries	294,743	240,780	249,975	170,160	173,903	<b>59.0%</b>
Pensions	50,826	40,046	42,786	28,213	29,214	<b>57.5%</b>
Goods and Services	172,617	146,864	148,959	98,765	99,447	<b>57.6%</b>
Interest Payments on Public Debt	136,085	98,835	87,998	54,828	45,210	<b>33.4%</b>
Subsidies & current transfers	123,463	82,447	93,873	60,568	67,655	<b>53.4%</b>
2). Capital Expenditure	160,124	94,193	141,980	71,137	80,449	<b>50.2%</b>
Capital II (local sources)	79,330	57,153	52,502	41,336	31,877	<b>40.2%</b>
Capital III (foreign sources)	77,541	31,387	86,131	25,812	46,081	<b>59.4%</b>
Capital Transfer & Net Lending	3,253	5,654	3,348	3,989	2,491	<b>76.6%</b>
<b>CURRENT BALANCE</b>	<b>41,636</b>	<b>55,930</b>	<b>70,858</b>	<b>46,009</b>	<b>60,170</b>	<b>144.5%</b>
<b>Primary Balance</b>	<b>59,963</b>	<b>80,853</b>	<b>67,140</b>	<b>42,650</b>	<b>46,688</b>	<b>77.9%</b>
<b>OVERALL BALANCE</b>	<b>(75,213)</b>	<b>(17,982)</b>	<b>(20,858)</b>	<b>(12,178)</b>	<b>1,478</b>	<b>-2.0%</b>
<b>Primary Balance less Grants</b>	<b>24,764</b>	<b>65,497</b>	<b>23,048</b>	<b>32,958</b>	<b>27,768</b>	<b>112.1%</b>
<b>Overall Balance less Grants</b>	<b>(110,413)</b>	<b>(33,337)</b>	<b>(64,950)</b>	<b>(21,870)</b>	<b>(17,449)</b>	<b>15.8%</b>
FINANCING	75,213	17,982	20,858	12,178	(1,478)	
<b>Domestic Financing</b>		<b>2,970</b>	<b>4,754</b>	<b>(16,289)</b>	<b>(21,370)</b>	
Central Bank		(7,059)	(21,520)	(18,150)	(46,784)	
Net Borrowing		36,026	(15,739)	45,074	(12,620)	
Change in Deposits		(43,085)	(5,781)	(63,224)	(34,164)	
Commercial Banks		(22,641)	22,401	(22,639)	24,795	
Net Borrowing		(15,791)	23,749	(21,399)	24,390	
Change in Deposits		(6,850)	(1,348)	(1,240)	405	
Other Domestic Financing		32,671	3,873	24,501	619	
<b>Financing Abroad</b>		<b>15,065</b>	<b>12,513</b>	<b>23,818</b>	<b>17,727</b>	
Disbursements		61,413	59,695	53,891	53,032	
Amortization		(46,349)	(47,182)	(30,074)	(35,304)	
Other		(53)	3,590	4,649	2,165	

Sources: Ministry of Finance and Central Bank of Belize estimates

<sup>P</sup> - Provisional

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

\$'000

	Disbursed	TRANSACTIONS THROUGH OCTOBER 2012				Disbursed
	Outstanding	Disbursement/	Amortization/		Net Change in	Outstanding
	Debt	New Issue of	Reduction in	Interest	Overdraft/	Debt
	31/12/11 <sup>R</sup>	Securities	Securities		Securities	31/10/12 <sup>P</sup>
<b>Overdraft/Loans</b>	<b>48,130</b>	<b>0</b>	<b>0</b>	<b>4,532</b>	<b>10,914</b>	<b>59,044</b>
Central Bank	48,130			4,532	10,914	59,044
Commercial Banks	(0)			0	0	0
<b>Treasury Bills</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>2,918</b>	<b>0</b>	<b>175,000</b>
Central Bank	22,331	0	0	252	(22,331)	0
Commercial Banks	151,027	0	0	2,648	22,203	173,230
Other	1,642	0	0	19	128	1,770
<b>Treasury Notes</b>	<b>136,800</b>	<b>0</b>	<b>0</b>	<b>5,748</b>	<b>0</b>	<b>136,800</b>
Central Bank	82,228	0	0	5,533	(4,321)	77,907
Commercial Banks	10,000	0	0	0	0	10,000
Other	44,572	0	0	214	4,321	48,893
<b>Defence Bonds</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>10,000</b>
Central Bank	10,000		0	800	0	10,000
Commercial Banks	0		0	0	0	0
Other	0		0	0	0	0
<b>Atlantic Bank Ltd.</b>	<b>1,431</b>	<b>0</b>	<b>223</b>	<b>89</b>	<b>0</b>	<b>1,208</b>
<b>Heritage Bank Ltd.</b>	<b>2,270</b>	<b>2,192</b>	<b>424</b>	<b>287</b>	<b>0</b>	<b>4,038</b>
<b>Belize Social Security Board<sup>(2)</sup></b>	<b>3,505</b>	<b>0</b>	<b>925</b>	<b>194</b>	<b>0</b>	<b>2,580</b>
<b>Fort Street Tourism Village</b>	<b>0</b>	<b>571</b>	<b>222</b>	<b>0</b>	<b>0</b>	<b>349</b>
<b>Debt for Nature Swap</b>	<b>3,054</b>	<b>0</b>	<b>150</b>	<b>88</b>	<b>0</b>	<b>2,904</b>
<b>Guardian Life Belize</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>1,000</b>
<b>Total</b>	<b>381,189</b>	<b>2,763</b>	<b>1,943</b>	<b>14,745</b>	<b>10,914</b>	<b>392,922</b>

<sup>(1)</sup> Transactions associated with UHS loan with the Belize Bank are not included in this table due to ongoing litigation.

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

<sup>R</sup>- Revised

<sup>P</sup>- Provisional



**Table A.14: Public Sector's External Debt by Creditors**

\$'000

	Disbursed	TRANSACTIONS THROUGH OCTOBER 2012				Disbursed
	Outstanding					Outstanding
	Debt		Principal	Interest & Other	Parity	Debt
	31/12/11 <sup>R</sup>	Disbursements	Payments	Payments	Change	31/10/12 <sup>P</sup>
<b>CENTRAL GOVERNMENT</b>	<b>1,910,549</b>	<b>59,695</b>	<b>47,022</b>	<b>73,855</b>	<b>-550</b>	<b>1,922,673</b>
Banco Nacional de Comercio Exterior	3,705	0	1,059	209	0	2,647
Government of the United States	749	0	365	33	0	384
Government of Venezuela	37,492	0	1,235	285	0	36,257
Kuwait Fund for Arab Economic Development	20,412	1,516	2,257	785	-139	19,532
Republic of China	280,740	20,000	17,565	5,990	0	283,175
Caribbean Development Bank	196,985	9,649	10,430	6,064	0	196,204
Caricom Development Fund	2,000	140	0	62	0	2,140
European Economic Community	13,795	0	563	65	-305	12,928
Inter-American Development Bank	220,765	19,451	8,460	2,757	0	231,756
International Fund for Agriculture Development	2,192	0	490	27	-105	1,596
Int'l Bank for Reconstruction and Development	19,539	3,844	2,756	195	0	20,626
Opec Fund for Int'l. Development	17,645	5,095	1,800	735	0	20,941
Central American Bank for Economic Intelligence	1,000	0	42	154	0	958
Bear Stearns & Co. (Untendered portion)	5,916	0	0	0	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	56,493	0	1,087,613
<b>NON-FINANCIAL PUBLIC SECTOR</b>	<b>47,247</b>	<b>97</b>	<b>9,586</b>	<b>1,286</b>	<b>-91</b>	<b>37,666</b>
Kuwait Fund for Arab Economic Development	3,585	0	714	136	-27	2,844
Deutsche Bank Barcelona	422	0	211	8	0	211
Royal Merchant Bank and Finance Co. <sup>(1)</sup>	559	0	559	28	0	0
The Bank of Nova Scotia <sup>(1)</sup>	9,571	0	3,190	103	0	6,380
European Investment Bank <sup>(1)</sup>	2,189	0	672	43	-64	1,453
Caribbean Development Bank <sup>(1) (2)</sup>	30,921	97	4,241	968	0	26,778
<b>FINANCIAL PUBLIC SECTOR</b>	<b>87,330</b>	<b>0</b>	<b>11,548</b>	<b>644</b>	<b>173</b>	<b>75,955</b>
Caribbean Development Bank	10,639	0	1,330	235	0	9,308
European Economic Community	377	0	19	2	-7	351
Paine Webber Real Estate Securities Inc.	400	0	100	2	0	300
Belize Mortgage Company <sup>(3)</sup>	6,538	0	6,538	227	0	0
International Monetary Fund <sup>(4)</sup>	69,377	0	3,561	178	181	65,996
<b>GRAND TOTAL</b>	<b>2,045,126</b>	<b>59,792</b>	<b>68,156</b>	<b>75,784</b>	<b>-468</b>	<b>2,036,294</b>

<sup>(1)</sup> Effective 21 June 2011 the nationalization of BEL caused the increase (\$23.1mn) in debt, which was matched by GOB's acquisition of assets of equal value.

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

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

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

<sup>R</sup> - Revised

<sup>P</sup> - Provisional