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## **Belize—Recent Economic Developments**

This report on recent economic developments in Belize was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Belize or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

BELIZE

Recent Economic Developments

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Approved by the Western Hemisphere Department

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	<u>Contents</u>	<u>Page</u>
Basic Data		iv-v
I.	Overview	1
II.	Real Sector	4
	1. Recent macroeconomic trends	4
	2. Developments in production by sector	4
	a. The primary sector	5
	b. Secondary activities	6
	c. The services sector	7
	3. Prices, wages, and employment	8
	4. Socio-economic and environmental issues	8
III.	The Public Sector	10
	1. Background and institutions	10
	2. Public sector trends	10
	3. Central government operations	11
	a. Revenue	12
	b. Fiscal incentives	13
	c. Expenditure	14
	4. The Social Security Board	15
	5. Nonfinancial public enterprises	16
IV.	Financial Intermediation	17
	1. Structure of the financial system	17
	2. Overall developments	17
	3. Monetary policy instruments	18
	4. Credit developments	19
	5. Liabilities to the private sector	20
	6. Interest rates	21
	7. The Banks and Financial Institutions Act of 1995	21

Contents

Page

V. External Sector	22
1. Overall developments	22
2. Current transactions	23
a. Exports	23
b. Imports	25
c. Services and transfers	26
3. Capital account	26
4. External public debt	27
5. Exchange and trade system	27

Text Tables

1. Selected Economic Indicators	29
2. Main Agricultural Crops, Acreage, and Production	30
3. Indices of Industrial Products	31
4. Average Retail Prices for Selected Petroleum Products	32
5. Summary Operations of the Nonfinancial Public Sector	33
6. Summary Operations of the Central Government	34
7. Summary Central Government Revenue	35
8. Summary Central Government Expenditure	36
9. Summary Operations of the Nonfinancial Public Enterprises	37
10. Summary Accounts of the Financial Sector	38
11. Legal Minimum Interest Rates	39
12. Commercial Banks' Liquidity Position	40
13. Balance of Payments	41
14. Sugar Exports by Market	42
15. External Public Debt	43

Appendices

I. Changes in the Tax System during 1995	44
II. The Framework for Monetary Policy	46

Statistical Appendix Tables

16. Sectoral Origin of Real Gross Domestic Product	49
17. National Accounts at Current Prices	50
18. Savings and Investment	51
19. Cane Deliveries to the Sugar Factories, Cane Prices, Sugar and Molasses Production	52
20. Agricultural Production	53
21. Production and Exports of Marine Fish Products	54
22. Industrial Production	55
23. Visitor Arrivals	56

Contents

Page

Statistical Appendix Tables (Concluded)

24.	Consumer Price Index	57
25.	Price Structure of Petroleum Products	58
26.	Consolidated Operations of the Nonfinancial Public Sector	59
27.	Detailed Central Government Revenue	63
28.	Detailed Central Government Expenditure	64
29.	Detailed Accounts of the Financial Sector	65
30.	Treasury Bills by Holder	69
31.	Interest Rates	70
32.	Sectoral Distribution of Credit to the Private Sector	71
33.	Detailed Balance of Payments	72
34.	Principal Domestic Exports	73
35.	Domestic Exports by SITC Category	74
36.	Retained Imports by SITC Category	75
37.	Direction of Trade	76
38.	Terms of Trade	77
39.	External Debt by Creditor and Borrowing Agencies	78
40.	Indices of Effective Exchange Rates	79

Charts

1.	Real Sector	4a
2.	Nonfinancial Public Sector	10a
3.	Monetary Developments	18a
4.	External Sector	22a
5.	Exchange Rate Developments	28a

Belize - Basic Data

Area and population

Area	22,963 sq. kilometers
Population (mid-1994)	211,500 (Est.)
Annual rate of population increase (1980-94)	2.4 percent

GDP (1995)

US\$592.0 million

GDP per capita (1995)

US\$2,719

	1990	1991	1992	1993	1994	Est. 1995
<u>Origin of GDP (at constant factor cost)</u>						
	(percent)					
Agriculture	14.0	13.3	13.7	13.2	13.3	13.8
Manufacturing	17.0	16.3	16.7	16.5	17.0	17.1
Construction	7.1	7.4	7.6	8.5	6.7	6.5
Trade and tourism	19.2	18.2	17.5	17.6	17.6	17.6
Other	42.7	44.8	44.5	44.2	45.4	45.0
<u>Ratios to GDP (at current market prices)</u>						
Exports of goods and nonfactor services	62.1	56.1	58.7	54.3	52.1	49.7
Imports of goods and nonfactor services	69.5	67.1	67.4	65.1	57.6	54.3
Current account of the balance of payments	-1.6	-6.9	-6.0	-8.9	-4.1	-2.3
Central government revenue and grants <sup>1/</sup>	29.1	32.1	30.9	25.0	25.0	23.6
Central government expenditures <sup>1/</sup>	28.5	36.2	37.1	31.6	31.0	29.1
Public sector savings <sup>1/</sup>	11.9	11.7	9.0	6.0	4.4	4.8
Public sector overall surplus or deficit (-) <sup>1/</sup>	-0.6	-4.1	-7.6	-6.5	-5.1	-5.1
External public debt (end of year)	33.0	35.0	31.0	31.9	32.8	32.3
Gross domestic investment	27.9	29.8	29.9	32.0	24.6	23.2
Money and quasi-money (end of year) <sup>2/</sup>	42.4	44.9	47.1	45.8	47.5	50.9
<u>Annual changes in selected indicators</u>						
Real GDP at market prices	10.2	3.0	9.3	3.4	1.6	3.8
GDP at current prices	10.4	6.7	12.3	9.0	4.4	7.7
GDP deflator	0.1	3.7	2.8	5.4	2.7	3.7
Consumer prices (annual averages)	3.0	3.2	2.4	1.4	2.5	2.9
Central government revenue and grants	15.1	20.6	6.7	-12.6	5.9	1.1
Central government expenditures	5.3	38.8	13.8	-8.0	3.5	0.5
Liabilities to private sector <sup>3/</sup>	14.9	11.5	17.3	5.1	7.2	18.5
Money	5.8	10.5	13.2	6.9	5.6	3.1
Quasi-money	19.1	11.1	18.8	3.8	9.8	23.2
Net domestic assets of the banking system <sup>4/</sup>	7.2	22.9	22.9	16.3	9.9	11.7
Credit to public sector	-3.1	3.2	11.2	12.1	5.8	6.3
Credit to private sector	11.3	18.4	11.5	2.8	4.2	6.3
Domestic merchandise exports (in U.S. dollars)	15.2	-9.1	17.3	2.4	7.8	12.0
Merchandise imports (in U.S. dollars)	13.0	3.1	9.3	4.9	-9.0	0.4
<u>Central government finances <sup>1/</sup></u>						
	(in millions of Belize dollars)					
Revenue and grants	235.5	284.0	303.1	264.9	280.5	283.6
Expenditures	230.7	320.2	364.4	335.3	347.2	348.8
Current account surplus or deficit (-)	72.5	63.1	59.1	30.6	23.2	26.2
Overall surplus or deficit (-)	4.8	-36.1	-61.3	-70.3	-66.7	-65.2
External financing (net)	9.3	33.2	41.4	28.2	16.2	17.6
Domestic financing (net)	-14.1	2.9	19.9	42.1	50.5	47.6

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>Est.</u> <u>1995</u>
<b>Balance of payments</b>						
	(in millions of U.S. dollars)					
Merchandise gross exports	142.4	128.8	148.1	141.8	156.4	164.4
Merchandise gross imports	243.7	251.2	274.6	288.0	261.9	263.1
Services (net)	65.0	64.5	67.4	69.8	53.8	50.4
Transfers (net)	29.7	28.1	30.3	29.7	29.3	34.7
<b>Balance on current account</b>	<b>-6.5</b>	<b>-29.8</b>	<b>-28.8</b>	<b>-46.7</b>	<b>-22.5</b>	<b>-13.5</b>
Official capital	5.0	9.1	14.6	11.7	8.0	9.9
Private capital, including errors and omissions	12.1	-1.0	15.2	15.9	10.6	7.7
<b>Overall balance</b>	<b>10.6</b>	<b>-21.7</b>	<b>0.9</b>	<b>-19.1</b>	<b>-3.9</b>	<b>4.0</b>
<b>Changes in reserves (increase -)</b>	<b>-10.6</b>	<b>-21.7</b>	<b>-0.9</b>	<b>19.1</b>	<b>3.9</b>	<b>-4.0</b>
Gross reserves	69.8	50.8	53.0	31.9	27.4	30.6
(in months of gross imports and nonfactor services)	3.0	2.1	2.0	1.1	1.0	1.1
External debt outstanding	132.9	150.4	149.8	167.9	180.4	191.3
<b>IMF data (as of February 29, 1996)</b>						
Article VIII status						
Intervention currency and rate				U.S. dollar at Bz\$2.00 per US\$		
Quota					SDR 13.5 million	
Fund holdings of Belize dollars					SDR 10.6 million	
From Fund resources						
Stand-by arrangement						None
EFF purchases						None
CFF purchases						None
Buffer stock financing purchases						None
Oil facility purchases						None
From Supplementary and Enlarged Access resources						
Stand-by purchases						None
EFF purchases						None
Fund holdings under Enlarged Access policy						None
Total Fund holdings					78.4 percent of quota	
Special Drawing Rights Department						
Cumulative SDR allocation						None
Net acquisition or utilisation (-) of SDRs					SDR 0.54 million	
Holdings of SDRs					SDR 0.54 million	
Overdue financial obligations to the Fund						None

1/ Fiscal year begins on April 1.

2/ Including deposit liabilities of the credit unions.

3/ Consolidated banking system.

4/ In relation to the financial system liabilities to the private sector at the beginning of the period.



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## I. Overview

Following a very strong performance in the late 1980s, Belize's economy weakened in 1991-93, mainly because of a substantial deterioration in the fiscal position. The overall deficit of the nonfinancial public sector increased from 1/2 percent of GDP in FY 1990/91 to about 7 1/2 percent in FY 1992/93 owing to a substantial increase in the government wage bill and in domestically financed capital outlays (in 1992 the Government signed a three-year agreement with the union raising civil servants' wages by 10-12 percent a year). 1/ The new administration that took office in June 1993 attempted to curtail the fiscal deficit through revenue measures and reductions in locally financed capital outlays. However, the measures were insufficient to offset a further surge in current outlays, a decline in tax collections, and a sharp drop in privatization receipts, and the overall deficit of the nonfinancial public sector remained at 6 1/2 percent of GDP in FY 1993/94.

The net domestic assets of the financial system increased by about 20 percent a year during 1991-93, mostly reflecting the large domestic financing requirement of the public sector. 2/ At the same time, the Government began to resort increasingly to foreign commercial borrowing to finance its investment projects. The external current account deficit widened from 1 1/2 percent of GDP in 1990 to 8.9 percent in 1993 and net international reserves of the Central Bank fell by US\$40 million to US\$25 million over the period, with gross reserves declining from the equivalent of three months of imports at end-1990 to one month at end-1993.

After growing by about 10 percent a year in 1987-90, real GDP growth slowed to 5 1/4 percent a year in 1991-93 because of slower growth in the agricultural sector, owing to unfavorable weather conditions and weaker prices for citrus concentrates and sugar. Inflation remained in line with international trends in reflection of the peg of the Belize dollar to the U.S. dollar and the openness of the economy.

In 1994, the Government introduced a new tax on the gross receipts of companies and the self-employed, limited the last wage increase under the three-year wage agreement to 6 1/4 percent, and strengthened the financial position of the Social Security Board by curtailing its mortgage lending operations and its investments in housing construction. Notwithstanding these measures, the deficit of the nonfinancial public sector exceeded 5 percent of GDP in FY 1994/95 due to a further increase in the wage bill, higher subsidies and transfers, and a deterioration in the operating position of the public enterprises. The public sector domestic financing requirement remained in the order of 4 percent of GDP in FY 1994/95.

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1/ The fiscal year runs from April 1 to March 31.

2/ Growth of domestic credit is expressed over a 12-month period in relation to the initial stock of liabilities to the private sector.

Following an increase in bank liquidity requirements in late 1993, credit policy was kept tight in 1994. The external current account deficit narrowed to 4.1 percent of GDP in 1994 because of a sharp drop in imports associated with a downturn in construction activity and the recall of the U.K. military contingent that had been stationed in Belize. The improvement in the external current account was partly offset by smaller net inflows of both public and private capital, but the loss of net international reserves was small with gross reserves remaining at about one month of imports. Real GDP growth slowed further to 1 1/2 percent in 1994, from 3 1/2 percent in 1993, because of the sharp decline in construction and a slowdown in the services sector associated with the reduction in U.K. military presence. Consumer prices increased by 1.8 percent on an end-of-year basis.

In March 1995, at the time of approval of the budget for FY 1995/96, a number of additional measures were introduced to reduce the fiscal imbalance. These included a freeze on government wages, the reintroduction of the Economic Citizenship Program (sales of passports), and a further reduction in locally financed capital outlays. In November-December 1995, the Government also increased domestic excise taxes and import duties on certain items, raised the import surcharge on fuel, and reduced the number of government employees by 860, or the equivalent of 9 percent of total central government employment. However, the overall deficit of the nonfinancial public sector is estimated to have remained unchanged at about 5 percent of GDP in FY 1995/96, mostly because of a further decline in tax receipts and the limited effect of the fiscal actions adopted late in the fiscal year, which are expected to have a substantial impact in FY 1996/97. The domestic financing requirement of the public sector fell slightly to 3 percent of GDP in FY 1995/96, from 4 percent in the previous fiscal year.

In January-April 1995, net international reserves fell by US\$8 million to US\$13 million, reflecting a relaxation of credit policy and continued central bank financing of the public sector (gross official reserves declined to two weeks of imports). Subsequently, to preserve the reserve position, the Central Bank began rationing sales of foreign exchange to the commercial banks, except for some essential import items. In addition, in December 1995 credit policy was tightened through an increase in liquidity requirements on bank deposits. Because of these measures and the strong performance of citrus exports, foreign reserves recovered during the last eight months of the year. As a result, for 1995 as a whole net international reserves increased by US\$4 million to US\$25 million, with gross reserves rising to slightly more than one month of imports. The spread between the exchange rates in the official and the parallel markets, which had increased in the first half of 1995, stabilized at about 5 percent during the remainder of 1995.

The external current account deficit is estimated to have narrowed further to 2.3 percent of GDP in 1995; domestic exports grew by 12 percent because of the sharp increase in citrus exports, favorable prices for sugar, and good performance of seafood exports, while imports increased by only 4 percent. Net capital inflows remained broadly unchanged as a fall in

private inflows (reflecting largely a reduction in the foreign exposure of commercial banks) was largely offset by higher official disbursements. Real GDP growth is estimated to have picked up to 3.8 percent in 1995 because of the extraordinary citrus crop and a strong performance of the seafood sector. Forestry output declined owing to a sharp drop in Mexican demand, and construction activity remained weak. The rate of inflation rose somewhat to 3.9 percent on an end-year basis, mainly because of an increase in import prices.

The Belize dollar appreciated by about 6 percent in real effective terms between the fourth quarter of 1990 and the fourth quarter of 1993, but the appreciation was more than fully reversed by the fourth quarter of 1994. In 1995, the currency remained broadly unchanged in real effective terms from its value at end-1994. Although real wages in the public sector have risen in recent years, immigration from neighboring countries has restrained wage increases in the private sector, which has helped maintain competitiveness, particularly in agriculture and tourism. However, some export sectors, such as the garment industry, have been affected adversely by rising labor costs.

Belize's public outstanding debt declined from the equivalent of 33 percent of GDP in 1990 to 31 percent in 1992 following the privatization of the telephone company, but rose slightly to 32 percent of GDP in 1995. The share of debt owed to suppliers and commercial banks almost doubled to 21 percent in 1995, reflecting the Government's heavy reliance on commercial credits of relatively short maturities in 1991-93. As a result, Belize's debt-service ratio increased from an average of about 6 percent of exports of goods and nonfactor services in the early 1990s to 9 1/2 percent in 1995.

In the structural area, Belize pursued an active privatization policy in the early 1990s, which resulted in the privatization of the Banana Control Board in 1991 and the telephone company in 1992, and the partial privatization of the electricity company in 1993. The Government currently is discussing with World Bank staff a program of reforms to improve efficiency in the public sector, which will include measures to strengthen the budget process and financial management, and restructure the civil service. With regard to the financial system, a New Financial Institutions Act was put in force in January 1996, strengthening the regulatory function of the Central Bank and establishing new prudential guidelines in line with international standards. In the trade area, effective April 1, 1996, in line with the CARICOM agreement, import tariff rates were reduced from a range of 5-45 to 5-35 percent, while stamp duties on imports, export taxes, and the gross receipts tax were eliminated. At the same time, the Government introduced a value-added tax of 15 percent to compensate for the loss of revenue.

## II. Real Sector

### 1. Recent macroeconomic trends

Real GDP growth decelerated to 5.2 percent a year in 1991-93, from 10 percent a year in 1987-90, as the agricultural sector was affected adversely by unfavorable weather conditions and falling prices for sugar and citrus (Chart 1a; Table 1). In 1994, despite a recovery in agriculture, growth slowed further to 1.6 percent because of a slowdown in the services sector related to the withdrawal of the British contingent that had been stationed in Belize and a decline in construction activity. Real GDP growth is estimated to have increased to 3.8 percent in 1995 owing to a strong pickup in the agricultural sector due to the extraordinary citrus crop.

Gross domestic expenditure was robust in 1990-93 but fell markedly in 1994-95 as investment expenditure declined from an average of 30 percent of GDP in 1990-93 to below 24 percent of GDP in 1994-95. In particular, public investment declined substantially starting in 1993, following the completion of major infrastructure projects and steps taken by the Government to reduce domestically financed capital outlays in view of the difficult fiscal situation (Statistical Appendix Table 17). Private investment rose markedly in 1993 reflecting the construction of a hydro-electric power facility but declined in subsequent years as the project reached completion and overall credit conditions became tighter. National savings declined from 24 percent of GDP in 1990-93 to 20 1/2 percent in 1994-95 as the deterioration in public savings was only partially offset by some increase in private savings. Because of the drop in investment, however, Belize's reliance on external savings, which had increased sharply from 1 1/2 percent of GDP in 1990 to 7 1/4 percent of GDP in 1991-93, fell to 3 1/4 percent of GDP on average in 1994-95.

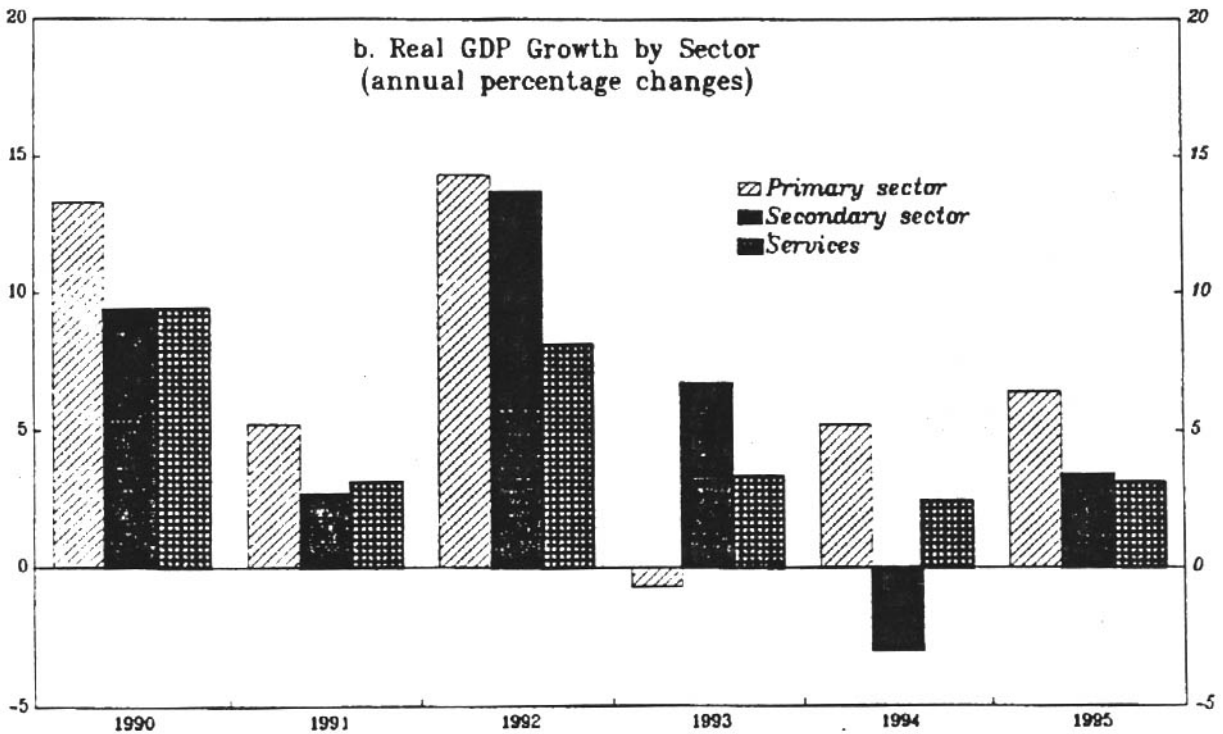
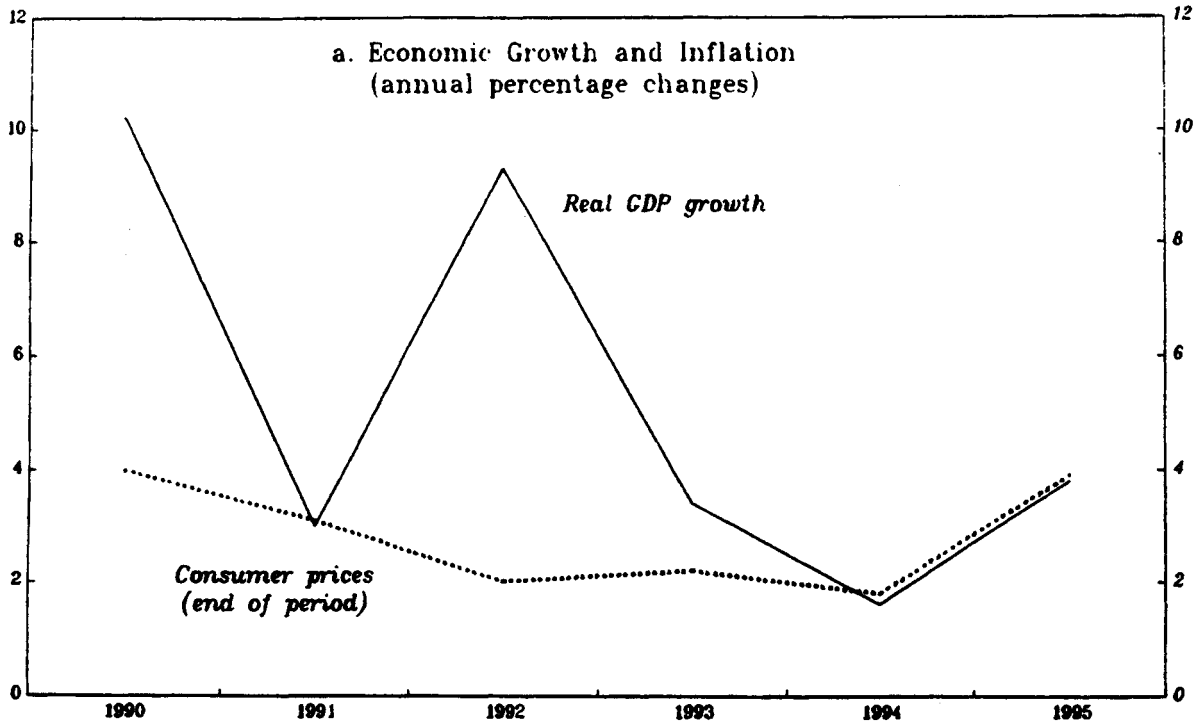
Because of the exchange rate peg to the U.S. dollar and the openness of the economy, inflation in Belize has remained in line with international trends, averaging about 2 1/2 percent a year in 1990-95 (Table 1).

### 2. Developments in production by sector

Belize's output remains highly concentrated on primary activities and agro-based manufacturing, which account for the bulk of the country's exports. Production in the primary sector comprises mainly the three agricultural crops--sugarcane, citrus, and bananas--and more recently, also seafood products. The agricultural products constitute the basic input required by the agro-based industries, which produce the larger part of manufacturing output. In the services sector, trade and tourism and transport and communications account for the major share of value-added. Because of strong activity in these two sub-sectors, the services sector emerged as the leading contributor to growth in the late 1980s but its expansion has moderated in recent years, owing in part to the effect of the withdrawal of British troops from Belize. In the early 1990s, the secondary sector, reflecting particularly buoyant construction activity, became the

CHART 1

BELIZE  
REAL SECTOR



Sources: Ministry of Finance, Central Bank, and Fund staff.

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fastest growing sector. However, as construction activity subsequently weakened, the primary sector emerged as the leading contributor to growth in 1994-95 (Chart 1b).

a. The primary sector

In 1995, the primary sector accounted for 21 percent of GDP and about 23 percent employment in Belize. Agricultural output, consisting mainly of sugarcane, citrus, and bananas, represents two-thirds of the primary sector's output, with a contribution equivalent to 13.8 percent of GDP in 1995.

Sugarcane accounts for about half of total value-added in agriculture. Sugarcane production grew rapidly in the late 1980s through 1990 (a rate of growth of about 12 percent a year), following the replacement of disease-prone plants with a more resistant variety and the introduction of improved cultivation practices. Growth, however, slowed to 2.8 percent a year in 1991-94 because of a decline in sugar prices and minimal expansion of the planted acreage (Table 2 and Statistical Appendix Table 20). Despite an increase in prices, production fell by 15 percent in 1995 owing to exceptionally dry weather during the planting season. Cane production per acre increased in the late 1980s but has remained flat since 1990 at about 18 tons/acre. The stagnation in productivity may be due to a reduction in the average size of farms in recent years.

Citrus production, which comprises oranges and grapefruits, represents about 20 percent of value-added in the agricultural sector. Production has fluctuated sharply in 1991-93; it increased moderately in 1994 and rose further by over 50 percent in 1995 reflecting a five-fold expansion in acreage initiated in the late 1980s.

Bananas account for about 9 percent of the value-added in agriculture. Banana production declined in 1990-91 primarily because of plant disease, but it increased by about 30 percent a year in 1992-94 as the disease was controlled. In 1995, production fell by about 7 percent because of flood damage. Belize's bananas have duty-free access to the European Union (EU) up to a specific quota. In 1995, the country's quota was increased from 40,000 to 55,000 metric tons. While the new quota was not met in 1995 due to the adverse weather, the industry has sufficient capacity to achieve the new production target in 1996. Concerned about the likely erosion of preferential access in the medium term, in recent years the industry has made increased use of lower cost migrant labor.

Much of Belize's abundant forestry resources remain untapped. Production of sawn timber has fluctuated unevenly in the 1990s. Production expanded at a strong pace in 1990-92 but stagnated in 1993 following the Government's decision to limit exports of timber to protect the environment and encourage manufactures of higher value-added veneer and wood products. Production rebounded strongly in 1994 due to favorable weather (a prolonged dry season), but it collapsed again in 1995 owing to a sharp drop in Mexican



demand (Mexico is the major importer of Belizean timber). Recently, the Government has tightened further the regulations concerning the types of logs permissible for export.

Fishery production includes lobster, shrimp, conch, fin fish, and fillet (Statistical Appendix Table 21). The sector has increased in importance in recent years, and its share of exports has risen from 8.3 percent in 1990 to 11 percent in 1995. After stagnating in 1992-93 due to the introduction of measures to reduce overfishing, lobster production rose by about 36 percent a year in 1994-95 because of a boom in international prices and improved processing facilities. At the same time, the production of shrimp continued to increase in the 1990s because of the establishment of new shrimp farms. As a result of the strong performance of lobster and shrimp production, the seafood sector grew by 16 percent a year in 1994-95.

Mining activities accounted for 0.7 percent of GDP in 1995. Mining output comprises mainly minerals such as dolomite, limestones, gold, granite, clay deposits, zinc, lead, and copper.

b. Secondary activities

The secondary sector (manufacturing, construction, water, and electricity) accounts for 26 percent of GDP and 18 percent of employment. The sector grew by about 8 percent a year in 1990-93 but it contracted in 1994 because of a sharp decline in construction activity. It is estimated that the sector recovered moderately in 1995 because of the strong expansion in citrus processing.

Manufacturing accounts for about two thirds of the value-added in the secondary sector. Manufacturing activities comprise the agro-based industries, some textile assembly, and a few industries producing basic consumer goods. With the exception of textiles, the manufacturing sector uses mainly domestic inputs and has reflected the trends in sugarcane and citrus output.

The sugar industry consists of a single refinery--The Tower Hill factory--which is owned by Belizean private entrepreneurs, and the Jamaican-owned Petrojam, which produces molasses for export to Jamaica. Sugar production remained flat at about 101,000 tons a year in 1990-93 because of weak sugar prices and declining productivity at the factory (Statistical Appendix Table 22). More recently, processing facilities were modernized and expanded; as a result, sugar output grew by 5 percent in 1994, in line with growth in the cane harvest. In 1995, despite the smaller cane harvest, sugar output remained unchanged because the prolonged dry season yielded cane of a better quality. Average sugar prices have declined in recent years owing to a reduction in preferential access to the U.S. market, which fell from 33.4 million tons in 1990 to 10.2 million tons in 1994, with the proportion of sugar sold in the free market rising from 19 percent to 43 percent over the same period (Table 14; Appendix I). In 1995, a decline in output from other suppliers prompted an increase in the U.S. quota for

Belize. In addition, agreement was reached with the EU for an increased access of 7,700 tons of sugar per year for a period of six years. As a result, the proportion of sugar sold in the free market declined to 26 percent in 1995, and average sugar prices increased by 19 percent.

Belize's citrus exports enter the United States and the EU duty-free under the Caribbean Basin Initiative and the Lomé IV agreement, respectively. Belize is the third largest exporter of frozen orange juice concentrates to the United States, after Brazil and Mexico. The production of citrus concentrates has reflected swings in the citrus crop; it grew by about 20 percent during 1990-94, with sharp drops in 1991 and 1993 (Table 3 and Statistical Appendix Table 22). In 1995, the production of concentrates increased by about 50 percent due to the bumper citrus crop. To prepare for competition with Mexico because of NAFTA, the industry has modernized and expanded its plants, developed new citrus products, and increased its sales to Europe, which more than doubled in 1995.

The textile industry produces garments for export to the U.S. market using pre-cut materials imported from the United States. Belize faces no quotas in the U.S. market and duties are applicable only to the value-added in Belize. After rising steadily through the 1980s, growth decelerated in 1990-93 because of productivity and quality problems and increased competition from Pacific Rim and regional competitors. With the closing of two garment factories, production fell by about 23 percent in 1994, and preliminary figures indicate a further sizable decline in 1995.

The electricity and water supply sector accounts for 2.3 percent of GDP; only a fraction of Belize's urban areas has full access to these services. Growth in the sector has been buoyant in the 1990s as capacity has increased following investments in electricity and water infrastructure and the upgrading of the plant and equipment of the Belize Electricity Board prior to its partial privatization.

The construction sector grew by about 12 percent a year in 1990-93, reflecting substantial investment in roads and other infrastructure by the public sector, as well as construction of several hotels and the Mollejon hydro-electric power station by the private sector. In 1994, however, with the completion of the hydroelectric project and the reduction in public sector capital expenditure, the sector declined sharply by 20 percent. In 1995, the construction sector remained subdued, increasing by only 1 percent, as the Government continued to restrain capital outlays.

c. The services sector

In 1995, the services sector accounted for 53 percent of GDP and 59 percent of total employment. The sector grew very rapidly in the late 1980s but growth has been slower in recent years owing in part to the impact of the withdrawal of the British troops. The tourism sector, however, continued to register a strong performance in the 1990s. Tourist arrivals contracted slightly in 1991 due to the slowdown in the industrial economies

but growth resumed at about 22 percent a year in 1992-93 as the number of visitors from Continental Europe increased (Statistical Appendix Table 23). Growth eased again to 4 percent in 1994, but preliminary data for 1995 indicate that arrivals picked up to 6 percent. The number of hotel and guest rooms in Belize increased on average by about 12 percent a year in 1990-94.

The transport and communications sector grew rapidly in 1990-93 because of the strong growth of tourism and the rapid expansion of the international network of the telecommunications company. Growth slowed to 1 percent in 1994 because of a sharp reduction in demand for telecommunications services following the withdrawal of British troops, but it recovered to 3 percent in 1995.

### 3. Prices, wages, and employment

Inflation on an end-year basis (as measured by the consumer price index) averaged 2.6 percent a year in 1990-94, in line with international inflation (Statistical Appendix Table 24). In 1995, inflation rose to 3.9 percent, mainly reflecting an increase in import prices. Price controls, in the form of maximum mark-ups, are maintained at both the wholesale and retail level on some imported goods (food, medical, and fuel items) and some locally produced goods (beer, rice, flour, sugar, and bread). About 20 items are subject to controls, which are administered by the Ministry of Commerce and Industry under a 1972 Supplies Control Regulation Act.

Historical data for wages and employment are not available in Belize. However, surveys concluded recently by the Central Statistical Office suggest that the unemployment rate rose from 9.7 percent in October 1993 to 13.1 percent in October 1994, with the increase being more pronounced among youths, for which the unemployment rate rose from 17 percent to 24 percent. Half of the unemployed surveyed in October 1994 had been out of work for at least 12 months, compared with 40 percent a year earlier.

The survey information on average incomes suggests that private sector wages were relatively flat from April 1993 to October 1994, in spite of wage increases in the public sector. In addition to the slowing economy, immigration from neighboring countries has helped to limit wage increases in the private sector, particularly in agriculture and tourism. Belize has statutory minimum wages, which have remained unchanged since 1992. The minimum wage is Bz\$2.25/hour for manual workers, and Bz\$2.00/hour for employees in agriculture and export industries. For domestic helpers and shop assistants, the minimum wage ranges between Bz\$1.75-Bz\$2.25/hour.

### 4. Socio-economic and environmental issues

Belize remains a sparsely populated country with an estimated population density of less than 10 people per square kilometer. Population growth averaged about 2.4 percent a year during the last decade, sustained in part by immigration from other Central American countries. Reflecting

the steady improvement in the provision of basic social services, including health care and education, the infant mortality rate has decreased by about 20 percent, while life expectancy increased by two and a half years since 1982.

Income distribution in Belize is generally less uneven than in other countries in the region. Although extreme poverty is not a major problem, it is estimated that about 23 percent of the population live below the poverty line (income levels of less than US\$200 a year), with the main pockets being localized among the young unemployed adults in urban areas, poorly educated women with large families, and the rural communities. Belize's social safety net comprises two main programs: the Social Security Board (SSB), which is under the Ministry of Finance, and the Social Assistance Program (SAP), which is under the Ministry of Youth Development, Human Resources, and Women's Affairs. The SSB administers retirement pensions and provides insurance against certain contingencies, e.g., temporary illness, maternity, work injuries, and temporary and permanent disabilities. The SAP's scope is much more limited and covers primarily single mothers and children, the elderly, and the severely disabled. Currently, the SSB provides payments to more than 7,000 people a year for contingencies while the SAP makes payments to 1,600 low income adults and 1,250 children. To further strengthen its social programs for the poor, the Government has recently established a Social Investment Fund (expected to be funded by the World Bank and the European Union) to serve as the main vehicle to improve and coordinate the delivery of social services.

The Belizean economy is highly dependent on industries based on environmental resources. Major environmental issues include an increasing rate of deforestation; unsustainable production practices in agriculture and fishing (particularly, overfishing of conch and lobster); significant losses of mangrove that provide vital protection to the coastal areas; and an increasing waste disposal problem. To help address these problems, in early 1993 the Government approved an Environmental Protection Act establishing the Department of the Environment and granting it broad regulatory and enforcement authority to preserve a healthy environment. Also, a National Environment Plan to be completed in mid-1996 is being prepared with technical assistance from the World Bank. The Plan contemplates actions to address excessive deforestation and to strengthen the regulatory framework for the fishing industry and the coastal mangrove. In addition, the Government is implementing a Forestry Planning and Management Project and plans to initiate a project of solid waste management that places priority on improving the situation in Belize City and San Pedro Island.

### III. The Public Sector

#### 1. Background and institutions

Belize's public sector comprises the Central Government, local governments, the Social Security Board, and the public enterprises. The public sector employs about 14 percent of the labor force. The public enterprises comprise the Belize Electricity Ltd (BEL), the Belize Port Authority (BPA), the Water and Sewerage Authority (WASA), the Belize Marketing Board (BMB), and the Belize Airport Authority (BAA).

In 1991, the Government privatized the Banana Control Board and ceased the operations of Belize Meats Ltd. In February 1992, the Government completed the privatization of its most profitable enterprise, the Belize Telecommunications Ltd (BTL), and in March 1993, it undertook the partial privatization of the Belize Electricity Ltd. However, the Government has continued to subsidize the operations of the Belize Marketing Board, which deals with price stabilization activities for rice, and has in the past serviced the external obligations of some enterprises, at times in lieu of payment for their services. 1/

#### 2. Public sector trends

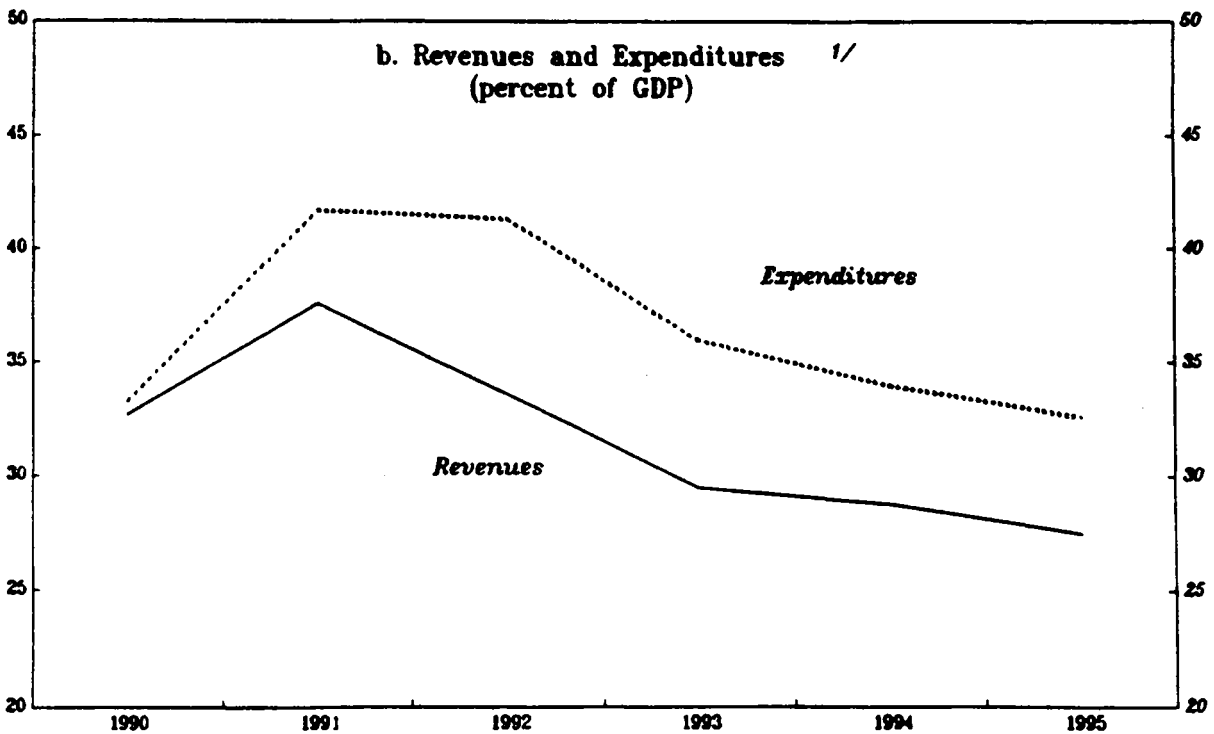
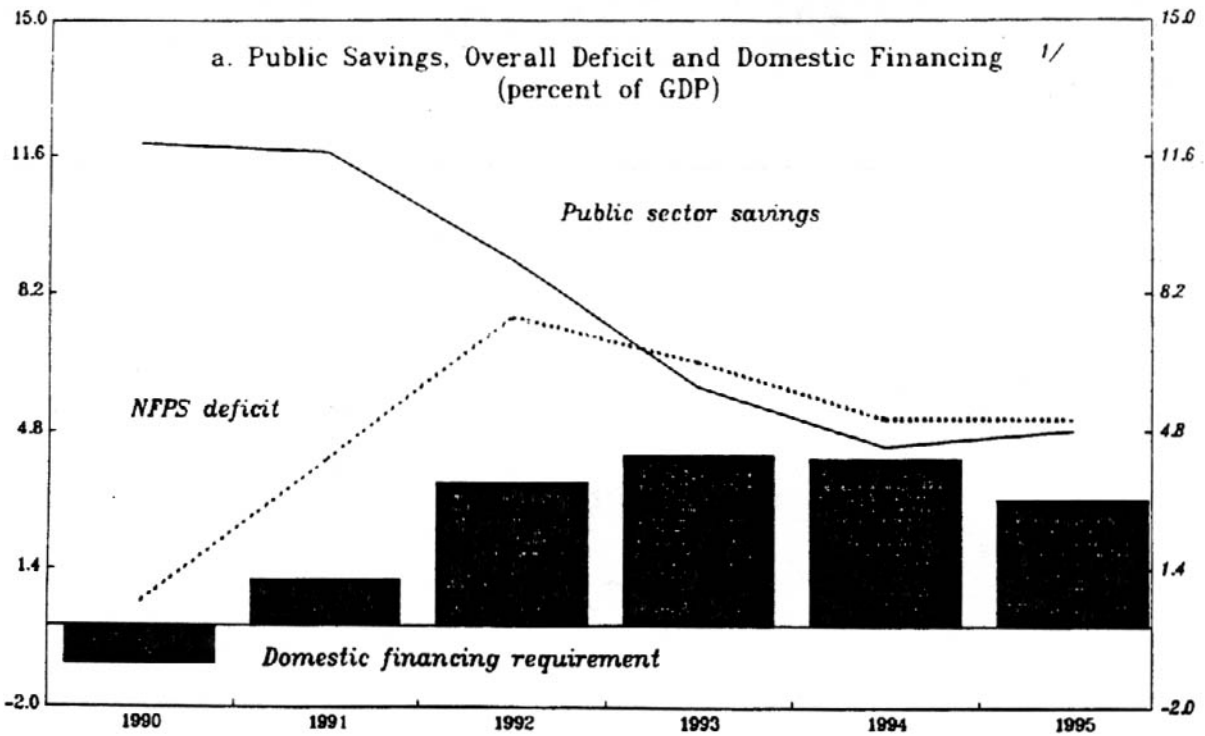
After performing very well for five years, the financial position of the nonfinancial public sector weakened substantially beginning in FY 1991/92. The overall deficit rose from 1/2 percent of GDP in FY 1990/91 to about 7 1/2 percent of GDP in FY 1992/93, reflecting mainly a deterioration in the operations of the Central Government due to a marked increase in its outlays (Table 5 and Statistical Appendix Table 26 and Chart 2a). Following some corrective measures during the second half of 1993 and an improvement in the finances of the public enterprises, the overall deficit of the nonfinancial public sector declined to 5.1 percent of GDP in FY 1994/95, but its domestic financing requirement remained at more than 4 percent of GDP.

At the time of approval of the budget for FY 1995/96, the Government introduced some additional measures, and toward the end of 1995 it took some revenue actions and reduced employment significantly. While the overall deficit of the nonfinancial public sector is estimated to have remained unchanged in FY 1995/96, its domestic financing requirement declined to 3 percent of GDP. Public sector savings fell from about 11 1/4 percent of GDP in FY 1990/91 to about 4 1/2 percent of GDP in FY 1995/96 because of a

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1/ In mid-1993, the Government agreed to pay fully for the use of electricity services and, at the same time, stopped servicing BEL debt. However, beginning in FY 1994/95 the Government has incurred some delays in paying for its electricity bills.

BELIZE  
NONFINANCIAL PUBLIC SECTOR



Sources: Ministry of Finance, Central Bank, and Fund staff.

<sup>1/</sup> Fiscal year begins on April 1st.

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decline in revenues and substantial increases in the wage bill, interest payments, and subsidies and transfers. 1/

### 3. Central government operations

The overall balance of the Central Government moved from a surplus of about 1/2 percent of GDP in FY 1990/91 to a deficit of 6.2 percent of GDP in FY 1992/93, owing to a rise in current outlays, particularly in the wage bill, and a sharp increase in locally financed capital expenditure (Table 6). This resulted in a substantial increase in the Central Government's net indebtedness with the domestic banking system. Despite a number of actions adopted by the new administration that took office in mid-1993, 2/ the deficit of the Central Government remained broadly unchanged at 6 1/4 percent of GDP in FY 1993/94-1994/95, owing to a marked decline in privatization receipts, an erosion of current revenues due to generous fiscal incentives and discretionary tax exemptions, and a further increase in current outlays. The domestic financing requirement more than doubled to 4 1/4 percent of GDP in FY 1993/94-1994/95. Preliminary estimates for FY 1995/96 indicate that, notwithstanding the implementation of further corrective actions, the deficit of the Central Government declined only slightly to 5 1/2 percent of GDP as a reduction in both current and capital outlays was offset in part by a further decline in current receipts. The domestic financing requirement is estimated to have narrowed only slightly to 4 percent of GDP.

Central government savings fell steadily from 9 percent of GDP in FY 1990/91 to about 2 percent of GDP in FY 1994/95, as a result of both the marked increase in current outlays and the decline in current receipts. In FY 1995/96, central government savings are estimated to have increased slightly because of the new measures to reduce noninterest current expenditure.

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1/ The figure for public sector savings in FY 1990/91 has been adjusted to exclude the savings of the telecommunication company, which was privatized in 1992. Excluding severance payments to employees laid off in December 1995, public sector savings are estimated to have improved to about 5 1/2 percent of GDP in FY 1995/96.

2/ In FY 1993/94, the new administration curtailed locally financed capital expenditure substantially and introduced some revenue measures, including an increase in stamp duties on imports, a rise in excise taxes and import duties on alcoholic beverages, and higher license fees for the registration of vehicles, commercial banks and companies. In FY 1994/95, the Government introduced some additional revenue actions, including a new tax on the gross receipts of companies and the self-employed, the withholding of income tax on interest income, earnings from lottery tickets and payments under government contracts, and the establishment of a five-year limit for the carryover of losses for income tax purposes. In addition, the Government scaled down the wage increase to civil servants for the last year of the three-year wage agreement from 10 percent to 6 1/4 percent.



a. Revenue

After declining in FY 1991/92, current revenue of the Central Government recovered in FY 1992/93 following a regularization of income tax arrears and an increase in nontax revenue (Table 7, and Statistical Appendix Table 27). Since then, current revenue has performed poorly reflecting the impact of tax concessions and discretionary import duty exemptions, as well as a weakening of tax and customs administration (Chart 2b). In FY 1993/94, current receipts relative to GDP fell because of lower collections from trade and income taxes, and a decline in nontax revenue. In FY 1994/95, current revenue remained largely unchanged, notwithstanding the introduction of the gross receipts tax, the withholding of tax on interest income, and the full-year impact of revenue measures introduced in the last quarter of 1993. Current revenue is estimated to have dropped in FY 1995/96 because of the weak performance of income tax collections.

Taxes on international trade constitute the major source of revenue, accounting on average for more than 45 percent of total revenue in the five years through FY 1995/96. The yield from taxes on international trade declined from 13.4 percent of GDP in FY 1990/91 to 11.7 percent in FY 1994/95. This trend reflected a combination of increased discretionary exemptions and exonerations under the Fiscal Incentives Act and the International Business Companies Act (mainly to promote private investment), smuggling and underinvoicing of imports, a reduction of import duties on fuel (aimed at offsetting the increase in international prices), and exemptions from import duties granted to intra-regional trade under the CARICOM Agreement. Receipts from taxes on international trade are estimated to have stabilized in FY 1995/96, following increases in import duties on beer, spirits, tobacco, and fuel introduced in November 1995. 1/

Income tax revenue rose gradually to about 6.1 percent of GDP in FY 1992/93 due to improvements in the financial position of some enterprises, particularly BTL, and the normalization of tax arrears. These two factors were large enough to offset the effects of a reduction in 1991 in the corporate income tax rate from 45 percent to 35 percent. Income tax receipts fell relative to GDP in FY 1993/94, partly because of the impact of tax concessions under the International Business Company Act, but stabilized in FY 1994/95 as a result of the introduction of 1 percent tax on the gross receipts of companies and the self-employed in October 1994, and the withholding of a 5 percent tax on interest income from time deposits

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1/ The surcharge on imported beer was raised from \$19.06 to \$22.81 per gallon; the import duty on spirits was raised from \$78.00 to \$91.00 per gallon; the import duty for cigarettes was raised from \$21.50 to \$34.40 per pound; and the duty on fuel imports was raised by 25 cents to \$2.64 per gallon. At the same time, the excise duty on locally produced beer was raised from \$13.54 to \$17.29 per gallon; the excise duty on locally produced spirits was raised from \$34.00 to \$50.00 per gallon; and the excise duty on tobacco was doubled.

starting January 1994. 1/ Preliminary estimates for FY 1995/96 indicate that income tax revenue has declined because of modifications to the income tax schedule early in 1995 and a weakening of tax administration (see Appendix II).

Capital revenue rose to the equivalent of 3 1/2 percent of GDP in FY 1992/93, reflecting sales of government equity in BTL (to complete the process of privatization), proceeds from the partial privatization of BEL, and to a lesser extent, receipts from the sale of government land and citizenship bonds (sales of passports). 2/ Subsequently, capital revenue fell to about 1/2 percent of GDP in FY 1994/95-1995/96. The authorities reinstated the Citizenship Program in early 1995, but receipts from the Program were much lower than budgeted.

b. Fiscal incentives

As noted above, Belize's revenue performance has been sluggish in recent years in part because the tax system allows for an array of fiscal incentives that have eroded the revenue base. These incentives are incorporated in the Fiscal Incentives Act (FIA) enacted in 1990. The FIA provides for exemption from income taxes (tax holidays) and import duties (duty concessions).

Fiscal incentives are normally granted upon request to enterprises implementing specified development projects. During the tax holiday period, all profits and gains are exempt from the income tax. In addition, any dividends or profits paid to shareholders are exempt from personal income taxes. The tax holiday is usually granted for a period of five years, but it can be extended for up to ten years. For export-producing companies in the areas of agriculture, agro-industry, food processing, mariculture, and manufacturing, and whose operations are labor intensive, the tax holiday may be granted for a period of up to 25 years.

Duty concessions allow a company to import a specified range of capital goods and raw inputs free of customs duties, stamp duties, and revenue replacement duties. Like tax holidays, these duty concessions also are for a specified period of up to 25 years. The company receiving these incentives cannot sell the imported goods in the domestic market (unless all

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1/ The erosion in the revenue base resulting from these concessions is illustrated by the fact that Bz\$11.4 million out of Bz\$14.4 million in total receipts from the corporate income tax in FY 1994/95 were accounted by the telephone company alone.

2/ These bonds were interest-free government instruments sold to foreign investors and prospective immigrants, each with a face value of US\$25,000 and redeemable in 1997. The Government used the proceeds to purchase U.S. Treasury bonds as collateral for the redemption of the citizenship bonds. The difference between the face value of the bond and the price of the U.S. Treasury bond constituted capital revenue.

duties and taxes are paid). Concessions are granted not only to exporters but also to companies producing entirely for the domestic market. In addition to the incentives under the Fiscal Incentives Act, duty concessions also can be granted discretionally.

Recognizing the adverse impact on tax collections, in FY 1995/96 the authorities took steps to limit the tax incentives granted to new companies under the FIA to a period not exceeding five years, and to avoid their renewal at the time of expiration.

In 1990, Parliament also approved the International Business Company Act (IBC), which applies to offshore companies, exempting them from income taxes, stamp duties, and estate duties. A section of the IBC Act that allowed some domestic companies with on-shore activities to benefit from tax concessions was repealed by Parliament in August 1995. The amended Act, however, includes a grandfathering clause.

### c. Expenditure

Central government expenditure rose from 28 1/2 percent of GDP in FY 1990/91 to 37 percent of GDP in FY 1992/93 because of both an increase in current outlays and a sharp rise in investment expenditure. To contain the growing fiscal imbalance, the new Administration reduced locally funded capital outlays substantially, and central government expenditure fell to 31 percent of GDP in FY 1994/95. In FY 1995/96, central government expenditure is estimated to have fallen to 29 percent of GDP as the authorities curtailed capital outlays further and succeeded in reducing current expenditure relative to GDP for the first time in six years (Table 8 and Statistical Appendix Table 28). Over the whole period FY 1990/91-1995/96, an increase in current outlays of 3 percentage points of GDP was largely offset by a decline of a similar magnitude in capital expenditure.

After declining relative to GDP in FY 1990/91, current outlays rose by more than 4 percentage points of GDP during FY 1991/92-1994/95, reflecting increases in all major expenditure categories. The wage bill rose by more than 2 percentage points of GDP over the period because of across-the-board wage increases of 10-12 percent a year in FY 1992/93-1993/94 and 6 1/4 percent in FY 1994/95, selective wage adjustments for teachers and the security forces, and a substantial expansion in government employment. Interest payments rose by 0.7 percentage point of GDP following heavy reliance in 1991-93 on suppliers' credits of relatively short maturity (one to five years) to finance investment projects. Subsidies and transfers rose by about 1/2 percentage point of GDP, owing in part to increased transfers to schools to cover the cost of secondary education. In FY 1995/96, current outlays are estimated to have declined by 1 percentage point of GDP because

of the introduction of measures to reduce the wage bill, <sup>1/</sup> outlays on goods and services, and subsidies and transfers.

Capital expenditure rose sharply from 11 1/3 percent of GDP in FY 1990/91 to about 18 percent of GDP in FY 1991/92-1992/93, but dropped gradually to about 9 percent of GDP in FY 1995/96 because of a substantial reduction in locally financed capital outlays and the new Administration's policy of limiting the use of commercial loans to finance investment projects. The locally funded component of investment increased by about 3 percentage points of GDP to 10 percent of GDP in FY 1992/93, but fell steadily to 3 percent of GDP by FY 1995/96 (Table 6). Likewise, infrastructure projects financed with external resources rose by 4 1/2 percentage points of GDP to 9 1/3 percent of GDP in FY 1991/92, and dropped subsequently to about 5 percent of GDP in FY 1993/94, remaining largely unchanged afterwards.

Locally funded capital outlays included projects in the areas of rural electrification, community development, low-income housing, and land filling. Externally financed outlays included several projects in the areas of road construction, airport facilities, and agricultural development. Projects financed by suppliers' credits included a new food market facility in Belize City, a new customs house, and a fire station.

#### 4. The Social Security Board

The Social Security Board (SSB) provides insurance against temporary disability and work-related injury as well as maternity, invalidity, retirement, and survivors' benefits. Contributors to the Board include full-time employees between the ages of 14 and 65 with annual salaries below Bz\$9,600. Since its establishment in June 1981, the number of employees covered by the Social Security Board has risen by about 13 percent a year. As of end-December 1994, about 103,150 employees were registered at the Social Security Board, of which 63,614 were contributing to the system. The rate of contribution has remained at 7 percent of earnings since June 1991 (1 percent is paid by the employee and 6 percent by the employer). Retirement benefits have remained unchanged, providing for a minimum pension of Bz\$25 a week after three years of service. To qualify for a full pension, an employee has to contribute to the system for 35 years. As the Belizean population is predominantly young and working, contributions are expected to continue to exceed payments for some time.

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<sup>1/</sup> In addition to the freeze of civil servants' wages, in December 1995 the Government reduced the number of civil servants by about 860, or close to 9 percent of total central government employment (nurses, teachers, and the police were not affected) and instructions were issued to the Belize Defence Force to keep unfilled any vacancy due to attrition. Gross savings on account of retrenchment are estimated at about 0.8 percentage point of GDP on an annual basis. Severance payments in the order of 0.6 percentage points of GDP were made during the first quarter of 1996.

For several years through FY 1990/91, the SSB recorded sizable surpluses, which were reflected in a build-up of deposits at the commercial banks and increased holdings of government paper. In FY 1991/92-1993/94, however, the Board registered large deficits in its operations because of purchases of equity in BTL (the Board holds about 27 percent of BTL's equity), capital contributions and transfers for housing construction, and net lending to development financial institutions and nongovernmental organizations to finance housing (Statistical Appendix Table 26). In FY 1994/95-1995/96, however, the Board resumed a modest accumulation of deposits at the commercial banks and increased its holdings of government paper, following substantial cutbacks in capital outlays and net lending. As of end-October 1995, the investment portfolio of the SSB amounted to Bz\$121.2 million (equivalent to 10.4 percent of GDP). The average rate of return on the Board's portfolio is estimated at 9 percent.

#### 5. Nonfinancial public enterprises

The public enterprises registered a small surplus in FY 1991/92, because of the closing of the operations of Belize Meats Limited and the privatization of the Banana Control Board, but their consolidated balance shifted to a deficit of 1/2 percent of GDP in FY 1992/93, following the privatization of BTL (Table 9). In FY 1993/94 and FY 1994/95 the overall position of the public enterprises moved to surpluses of 0.8 percent and 0.6 percent of GDP, respectively, owing to lower capital outlays, interest payments, and transfers to the Government. The overall position is estimated to have shifted to a small deficit in FY 1995/96 because of a substantial increase in investment outlays financed by multilateral and bilateral sources. 1/

Until FY 1991/92, the operations of the nonfinancial public enterprises reflected, to a large extent, developments in BTL and BEL, which jointly accounted for nearly 70 percent of consolidated operating revenue. Following the privatization of BTL, BEL became by far the largest public enterprise in Belize, with almost 65 percent of consolidated operating revenue. BEL recorded sizable overall deficits during FY 1991/92-1992/93 because of the expansion of its investment program, but its overall position shifted to modest surpluses in FY 1993/94-1994/95 as capital outlays were curtailed substantially. In FY 1995/96, the overall balance of BEL is estimated to have moved to a small deficit because of a doubling of capital outlays due to the construction of transmission lines linking Belize to the Mexican power grid. BEL's electricity tariffs have remained unchanged since April 1989. Presently, the company is conducting a study to determine the appropriateness of the tariff structure.

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1/ Major investment projects by the enterprises include the expansion of the water and sewerage infrastructure in San Pedro Island, a power project to connect the electrical system to the Mexican power grid, the upgrading of the Airport Authority, and the improvement of the Port Authority.

BEL was partially privatized in March 1993, with the Government retaining 51 percent of its shares and the private sector, in conjunction with the Social Security Board, holding the remainder. The shares offered to the public had a debenture component and a common share component. The debenture component represented 76 percent of the instrument, with a rate of return of 12 percent. Shareholders have the option of converting these debentures into full ordinary shares during the first ten years.

#### IV. Financial Intermediation

##### 1. Structure of the financial system

The financial system in Belize comprises the Central Bank, four private commercial banks (three of which are foreign owned banks) and a number of nonbank financial institutions. The nonbank financial institutions comprise ten credit unions, which cater to the needs of small savers; the Development Finance Corporation (DFC), which borrows funds from international lending agencies to re-lend to the private sector; the Government Savings Bank, which accepts deposits from small savers; and the Small Farmers Bank, which was established in late 1992 to provide financing to small farmers and agrobusiness. The nonbank sector presently accounts for about 10 percent of the financial system's monetary liabilities to the private sector and 20 percent of total financial system credit to the private sector.

##### 2. Overall developments

After increasing by 4 percent in 1990, overall financial system credit rose by 20 percent a year in 1991-93, reflecting the large domestic financing requirement of the public sector and a strong expansion of credit to the private sector, particularly in 1991-92 (Table 10 and Chart 3a). <sup>1/</sup> Net credit to the public sector shifted from a buildup of deposits in 1990 to a net expansion equivalent to about 8 percent a year in 1991-93 because of substantial financing of the Central Government and sizable deposit withdrawals by the Social Security Board (SSB). As the growth of overall financial system credit far outpaced the increase in private sector financial savings (which grew by about 12.3 percent a year in 1991-93), the net foreign assets of the consolidated financial system fell steadily from US\$68 million in 1990 to US\$13.5 million in 1993. In particular, the net international reserves of the Central Bank declined from US\$65 million to US\$25 million over the period (Chart 3b).

Following a tightening of credit policy in late 1993, the growth of financial system credit fell by almost half, to 9 1/2 percent in 1994. In response, the net foreign assets of the financial system declined by only

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<sup>1/</sup> Unless otherwise specified, all rates of growth in this section are expressed over a 12-month period in relation to the initial stock of liabilities to the private sector.

US\$5.5 million to US\$8 million during 1994, and the loss of central bank net international reserves was limited to a small amount. The rate of growth of credit to the private sector fell from 12 1/2 percent a year in 1991-93 to 7 percent in 1994, while bank financing of the public sector slowed in 1994 reflecting an accumulation of deposits by SSB due to a sharp reduction in its capital outlays.

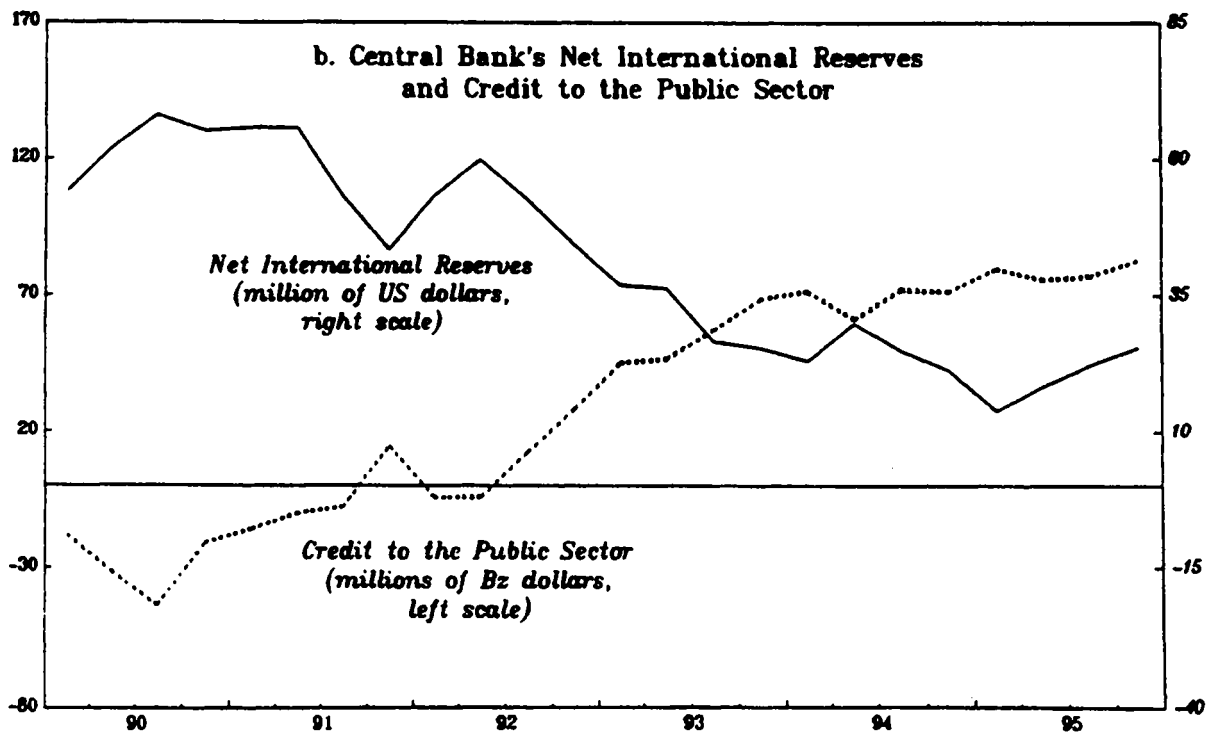
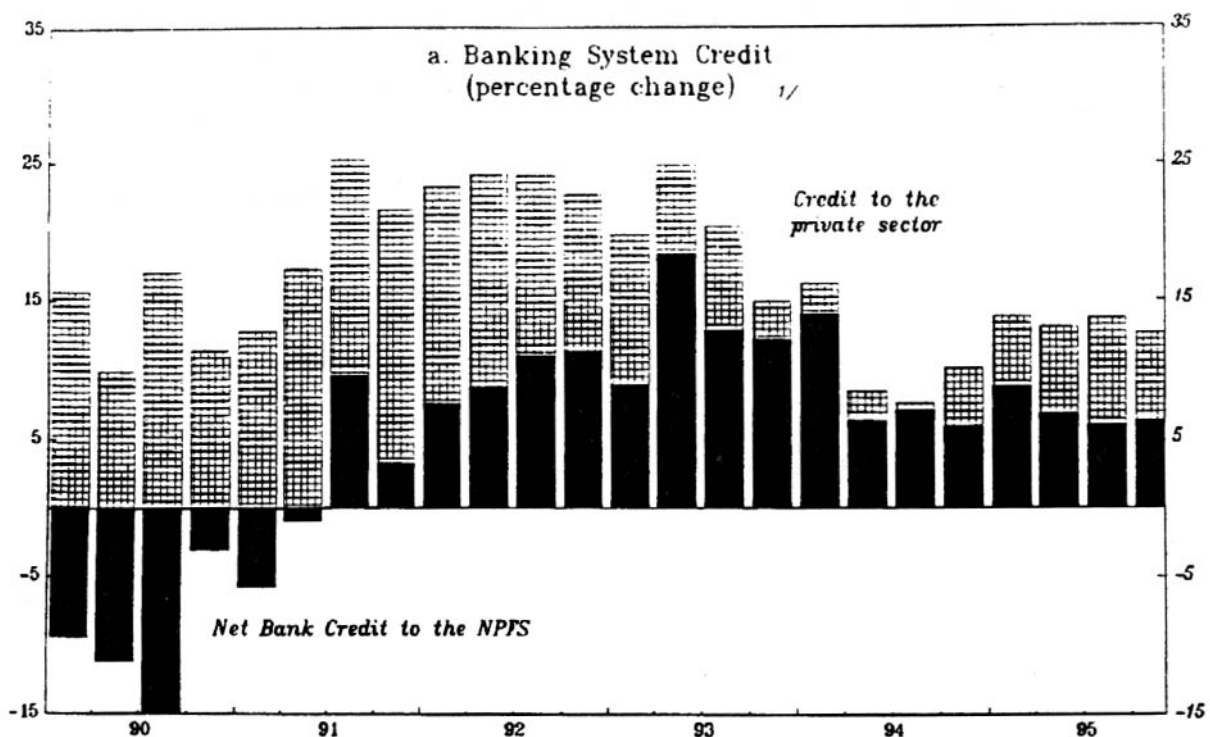
In 1995, financial system credit rose by 10.5 percent mainly because of some increase in bank financing of the public sector. Private financial savings grew by 15 percent in 1995, which allowed for a recovery of US\$17 million in the financial system's net foreign assets. During January-April 1995, commercial banks used the increase in private financial savings to reduce substantially their foreign short-term debt while keeping credit to the private sector virtually unchanged. Subsequently, they used the increase in their deposit base to expand their credit operations, and the rate of growth of bank credit to the private sector accelerated to 10 percent by November 1995. Credit was tightened in December and the growth of credit to the private sector slowed to 7 percent toward the end of the year. The net international reserves of the Central Bank recovered slightly by US\$4 million to US\$25 million in 1995, while the net foreign assets of commercial banks increased by US\$13 million, reflecting a substantial reduction in their foreign exposure.

### 3. Monetary policy instruments

Because of the lack of an active market in government securities, the Central Bank of Belize has continued to rely on minimum liquidity requirements on commercial bank deposits as the main instrument to conduct monetary policy. Other instruments that also have been used include the central bank discount rate and minimum interest rates on commercial bank deposits (see Appendix II).

Minimum liquidity requirements on commercial bank deposits can be satisfied by noninterest-bearing deposits with the Central Bank (there is a minimum cash reserve ratio), and holdings of treasury bills or foreign assets. On average, about 70 percent of the interest-bearing portion of liquidity requirements has been satisfied by banks through holdings of treasury bills, while the remainder has been covered through holdings of foreign assets. In October 1991, the Central Bank reduced liquidity requirements from 28 percent to 25 percent of bank deposits. Subsequently, as the fiscal position deteriorated, liquidity requirements were increased gradually to 28 percent of deposits in October 1993 (Table 12). In January 1995, liquidity requirements were reduced to 24 percent, while central government deposits were transferred from the commercial banks to the Central Bank. The net effect of these offsetting measures was expansionary. The relaxation of credit policy, combined with a significant expansion of central bank credit to the public sector, led to a marked decline in net international reserves during the first four months of 1995. To help strengthen the foreign reserve position, effective December 1, 1995, the

MONETARY DEVELOPMENTS



Sources: Ministry of Finance, Central Bank, and Fund staff.

<sup>1/</sup> Change as a percentage of liabilities to the private sector at the beginning of the previous 12 months.



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Central Bank increased liquidity requirements by 2 percentage points, to 26 percent of deposits.

Treasury bills are the only interest-bearing domestic asset available to commercial banks to satisfy the minimum liquidity requirements. <sup>1/</sup> The treasury bill rate has been lowered gradually since 1990 and stood at 4 percent in the fourth quarter of 1995, or about 6 percentage points lower than the interest rates offered by commercial banks on 3-month time deposits (see Statistical Appendix Table 31). Of the total stock of Treasury bills outstanding at end-December 1995, 68 percent was held by commercial banks to satisfy their liquidity requirements, 31 percent was held by the Central Bank, and only one percent was held by the public (Statistical Appendix Table 30). Treasury bills have not been attractive to the nonbank public because of the large differential between Treasury bills rates and interest rates on bank deposits.

In the early 1990s the Central Bank used to set minimum interest rates on a whole range of instruments, including savings deposits, time deposits of different maturities, and commercial bank loans (however, lending rates usually remained well above the minimum statutory limits). More recently, market forces have been allowed to play an increasing role in interest rate determination. On March 26, 1994 the legal floors on interest rates were simplified by reducing the number of minimum rates from six to three, and on January 2, 1995 all remaining floors were eliminated, with the exception of the minimum interest rate on passbook savings, which was maintained at 4.5 percent to protect small savers (Table 11).

The Central Bank's discount rate--the rate of interest charged on loans to commercial banks--has been set at between 11-12 percent during the last five years (Table 11). However, the use of the central bank discount window has been extremely rare, and changes in this rate have had only symbolic significance.

#### 4. Credit developments

As noted above, credit to the private sector increased at a fast pace in the late eighties through 1992 but its rate of growth slowed considerably in more recent years because of the need to accommodate the large domestic financing requirement of the public sector.

The distribution of credit to the private sector changed somewhat during 1990-95. The share of credit to agriculture fell from 17 percent of total credit in 1990 to 13 percent in 1995, while that of manufacturing and construction increased from 25 to 29 percent over the period (Statistical Appendix Table 32). At the same time, the share of credit to the trade and commerce sector fell from 20 percent to 16 percent, while that of personal

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<sup>1/</sup> There is a statutory ceiling of Bz\$70 million on the total outstanding stock of treasury bills.

loans increased from 25 to 27 percent. While there was a sizable increase in lending to the citrus sector, the fall in the share of credit to agriculture reflected declines in credit to the sugar sector and the banana industry. Credit to the construction sector rose because of an expansion in tourist facilities, while the increase in credit to the manufacturing sector reflected increased activity in the processing of agricultural products. The decline in the share of credit to trade and commerce was associated with a weakening of activity in the distribution sector, following the withdrawal of the British troops.

During 1990-95 the Development Finance Corporation (DFC), which is a state-owned financial institution specializing in long-term lending to the private sector, made significant progress in restructuring its operations. The financial position of DFC had weakened considerably in the late 1980s because of a deterioration in the quality of its loan portfolio. Since 1990, the DFC has undergone a restructuring process which has involved the writing off of bad loans, the broadening of its equity base, the introduction of sound lending practices, a substantial reduction of personnel, and the adjustment of interest rates to bring them more in line with market rates. As a result, the delinquency rate of the DFC's loan portfolio has declined from 50 percent in 1990 to about 15 percent in 1995, and since 1992 the DFC has registered small surpluses in its operations. After declining in 1990-91, DFC credit to the private sector increased on average by 7.7 percent a year in 1992-95. Of the total DFC's loan portfolio, which amounted to Bz\$46 million at the end of 1995, 35 percent consisted of agricultural loans; 30 percent of loans for tourism, manufacturing and services; 10 percent of housing loans; and 5 percent of student loans. DFC has financed its lending operations largely with resources from international financial institutions such as the Caribbean Development Bank, the IBRD, and the European Investment Bank.

In late 1992, as part of the restructuring of DFC, the Government established the Small Farmers Bank (SFB) to take over DFC's lending to small farmers and agro-business. The SFB received part of the DFC's agricultural loan portfolio (about Bz\$1.2 million) and the Government made a capital contribution of Bz\$5 million. The SFB has been successful in collecting debts but has not been active in granting new loans.

##### 5. Liabilities to the private sector

Private sector financial savings have increased somewhat faster than nominal GDP, rising by 14 percent a year in 1990-92 and by 7 percent a year in 1993-94, when the growth of nominal GDP decelerated. In 1995, the rate of growth of private financial savings rose to 15 percent, reflecting a sharp increase in time-deposits (Table 10).

Relative to GDP, private financial savings rose gradually from 42 percent in 1990 to 51 percent in 1995. Low inflation and positive real interest rates stimulated the trend toward increased monetization. The ratio of quasi-money to GDP grew from 30 percent in 1990 to 39 percent

in 1995, in response to the gradual increase in interest rates on time deposits. Before 1990, excess liquidity had prompted banks to establish a minimum amount for the acceptance of time deposits. As liquidity conditions were tightened in the 1990s, banks gradually lowered this minimum amount. In contrast to quasi-money, the ratio of narrow money (currency plus demand deposits) to GDP remained stable at around 12 1/2 percent in 1990-95.

#### 6. Interest rates

Commercial bank deposit and lending rates rose in 1990-95 as liquidity conditions were tightened in view of the growing borrowing requirement of the public sector. The average three-month time deposit rate increased from 8.3 percent in the last quarter of 1990 to about 10 percent in the last quarter of 1995, while the average lending rate rose from 14.3 percent to 16.1 percent over the same period (Statistical Appendix Table 31). The increase in domestic interest rates took place notwithstanding the decline in interest rates abroad, with the spread between interest rates on three-month time deposits denominated in Belizean dollars and the three-month LIBOR widening from close to zero in 1990 to 4 percentage points in 1995.

#### 7. The Banks and Financial Institutions Act of 1995

A new Financial Institutions Act was enacted in October 1995 and became effective on January 1, 1996. The Act strengthens the regulatory functions of the Central Bank of Belize and establishes new prudential norms in line with international standards. All financial institutions are covered by the provisions of the Act, except for credit unions and the DFC.

Under the Act, financial institutions are not allowed to engage in financial activities not contemplated at the time they were licensed. In particular, only licensed banks may engage in banking business. Nonfinancial activities of banks are restricted, and the holding of shares in any other company is limited to 25 percent of the bank's capital. In addition, the Act establishes the mandatory nature of minimum liquidity requirements, and that unsecured credit to any single borrower must not exceed 15 percent of the bank's capital, instead of the previous case-by-case authorization procedure.

The Act also imposes stricter capital requirements on financial institutions, including the establishment of statutory reserve funds. Local banks are required to maintain capital equivalent to at least Bz\$3 million, as compared with Bz\$400,000 previously, and foreign owned banks are required to have assigned capital equivalent to at least Bz\$3 million and a worldwide minimum capital of Bz\$50 million. Other financial institutions are required to maintain a minimum capital of Bz\$100,000. The Central Bank may require higher standards, including the requirement to maintain capital in

proportion to total assets and off-balance sheet items. <sup>1/</sup> Financial institutions are required to transfer 25 percent of their profits to a statutory reserve fund until the fund holds at least the required capital.

Finally, the Act establishes more rigorous disclosure and external auditing requirements, and defines clearly the responsibilities of managers of financial institutions. Institutions are required to publish financial statements prepared by certified auditors after each financial year. In addition, they are required to submit all relevant information to the Central Bank periodically. The Central Bank is empowered to correct practices that could be detrimental to the interest of the public and the shareholders by suspending the payment of dividends and restricting asset growth.

## V. External Sector

### 1. Overall developments

After recording strong surpluses for several years through 1990, Belize's balance of payments turned into deficits the next four years except for 1992 (Table 13). The weakening reflected largely a widening of the current account deficit, which increased from 1.6 percent of GDP in 1990 to 8.9 percent in 1993, before declining to 4.1 percent in 1994 (Chart 4a). At the same time, Belize's gross official reserves fell from the equivalent of three months of imports of goods and nonfactor services in 1990 to about one month at end-1994. In 1995, the balance of payments registered a small surplus as the external current account deficit narrowed further to 2.3 percent of GDP, and gross official reserves improved marginally to just over one month of imports of goods and nonfactor services.

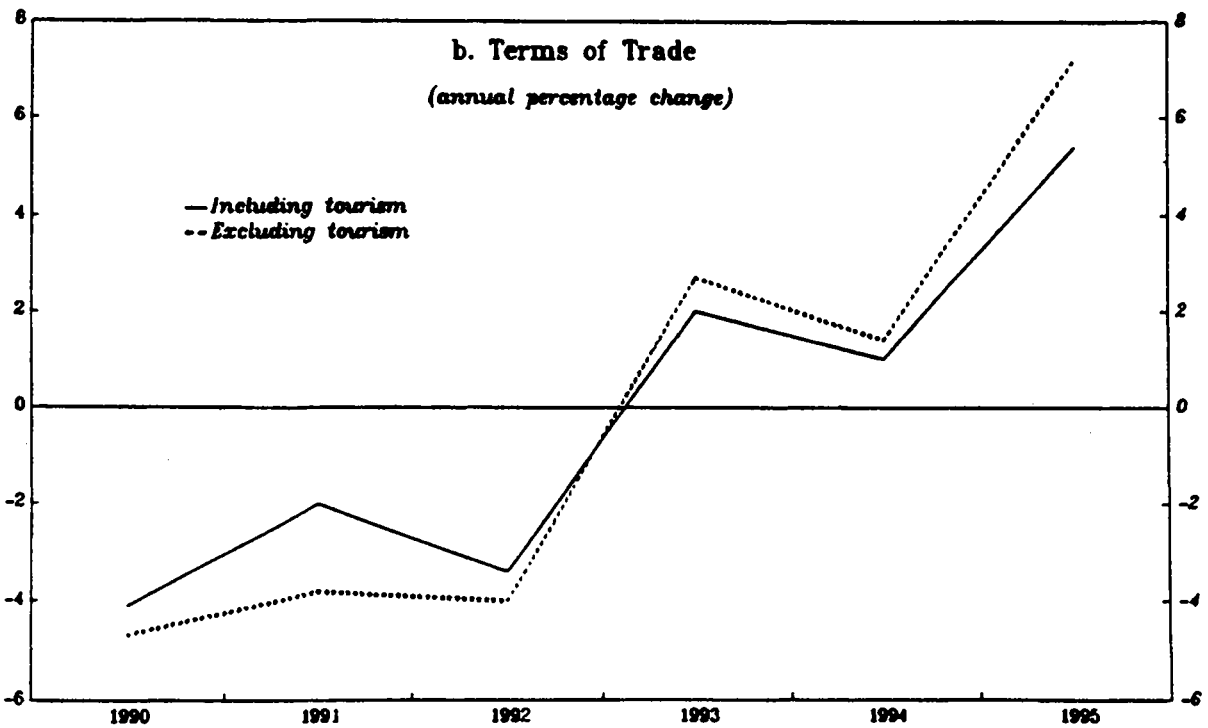
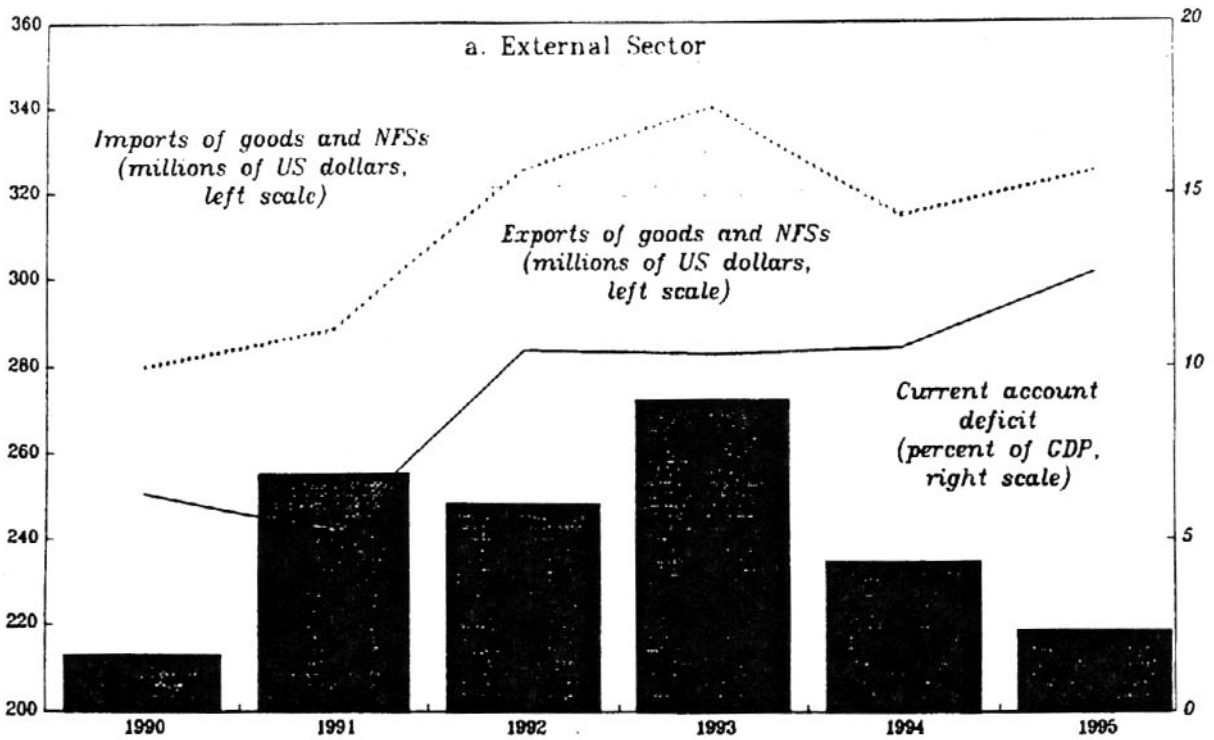
The deterioration in the external current account in 1991-93 reflected, to a large extent, a widening of the trade deficit. While exports were sluggish on average in 1991-93, imports grew steadily during this period, fueled by the expansionary fiscal stance. In addition, the surplus in services and transfers fell relative to GDP because of higher profit remittances, an increase in travel expenditures by Belizeans, and a decline in private remittances from abroad. In 1994, exports rebounded while imports fell sharply in response to the tighter credit policy stance. Preliminary information for 1995 indicate that the trade deficit narrowed further because of a sharp increase in exports due to the bumper citrus crop, and slow growth of imports owing to drawdowns of inventories of imported goods and sluggish construction activity.

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<sup>1/</sup> In the event, banks were given 24 months to comply with capital requirements in line with Basle standards. However, most banks are already in excess of these standards or very close to meeting them.

CHART 4

BELIZE  
EXTERNAL SECTOR



Sources: Ministry of Finance, Central Bank, and Fund staff.

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The capital account surplus fluctuated sharply in 1991-94, mainly in reflection of changes in project-related inflows. Preliminary data for 1995 suggest that net capital inflows remained broadly unchanged as a decline in private inflows due to a reduction in the foreign exposure of commercial banks was partly offset by higher official disbursements.

## 2. Current transactions

### a. Exports

Belize's major domestic exports (gross exports minus re-exports) consist of sugar, citrus, bananas, seafood products, garments, and sawn logs. While sugar remains the most important export product, its share in total domestic exports fell from 39 percent in 1990 to 33 percent in 1995. After increasing by 8 percent a year in 1988-90, the growth of domestic exports slowed to 3.5 percent a year in 1991-93 largely because of stagnant sugar and citrus exports (Appendix Table 34). Domestic exports rebounded in 1994 due to strong banana earnings, and surged by 12 percent in 1995 owing to the extraordinary citrus crop, a strong expansion of seafood exports, and higher prices for sugar.

Belize's sugar exports remain highly dependent on access to preferential markets in the United States and the EU. The average cost of sugar production in Belize is estimated to be about 30 percent higher than the free market price. Sugar exports increased rapidly in the late 1980s through 1990 because of the expansion of planted acreage and favorable export prices (Table 14). In 1991-93, however, export earnings stagnated because of sluggish volumes and weaker prices, following reductions in the quota to the U.S. market and increased sales at lower prices in the free market. In 1994, volumes recovered slightly but export earnings fell because average sugar prices continued to decline, while in 1995 export earnings rebounded strongly because of a 19 percent increase in prices. In 1995 Belize's EU quota was raised by 7,700 tons a year for a period of six years (in conjunction with a general increase for Asia-Caribbean-Pacific (ACP) countries), while its U.S. quota was raised by 4,000 tons because of shortfalls from other suppliers. As a result, the proportion of sugar output sold in the free market declined from 43 percent in 1994 to 26 percent in 1995.

Citrus concentrates are Belize's second most important export product. Like sugar, citrus exports receive preferential duty-free access in the EU and the United States. After growing steadily in the 1980s through 1990, citrus export earnings fell sharply in 1991-93 because of unfavorable weather conditions and lower prices attributable to plentiful harvests by other major producers. Export earnings recovered moderately in 1994, and rose by over 70 percent in 1995, reflecting the expansion in acreage initiated in the late 1980s and an increase in prices.

With the implementation of NAFTA in 1992, the authorities were initially concerned that Mexican competition would severely undercut



Belize's citrus exports to the United States. However, Belize's exports to the United States have continued to be protected from Mexican competition as U.S. tariffs on Mexican exports would be phased out only gradually over a period of 15 years. 1/

Belize's bananas also are exported to the EU under a preferential arrangement. (Belize can export tariff-free to the EU up to 40,000 metric tons.) Banana exports fell sharply in 1991 because of plant disease but have recovered strongly since then. Prices have increased, reflecting improved fruit quality, and transport costs have been reduced. In 1994, Belize was allowed to exceed its quota temporarily by 8,000 metric tons due to shortfalls from other suppliers. In 1995, Belize received an increase in its quota to 55,000 metric tons, in conjunction with a general increase for ACP countries. The increase in quota was to become permanent if Belize had been able to fulfill it in 1995. However, Belize's banana production fell by about 7 percent to 44,000 tons in 1995, due to flood damage. Notwithstanding the drop in volume, export earnings declined only slightly because of a further increase in banana prices following improvements in quality.

Exports of seafood products (mainly shrimps, lobsters, and conch) increased their share in domestic exports from 8.3 percent in 1990 to 11 percent in 1995. Export volume increased steadily in 1990-92, but flattened out in 1993-94 because of a decline in conch catch due to shrinking stocks. However, export earnings rose on average by 6 percent a year in 1993-94 because of higher prices for shrimps and lobsters. In 1995, prices softened slightly but export earnings rose sharply owing to bumper harvests of lobsters.

Sawn wood exports grew steadily in 1990-92 but fell sharply in 1993, reflecting a decline in volume due to stricter restrictions on log exports. In 1994, receipts from log exports grew substantially because of higher international prices, but in 1995 they fell by 48 percent owing to the difficult economic situation in Mexico, which is Belize's largest customer.

Belize's textile industry produces garments for the U.S. market using cut materials imported from the United States. Export earnings grew steadily in 1990-93 but declined in more recent years because of increased competition from other more efficient producers, including Mexico. In 1994, two factories closed down because of problems with product quality and low productivity due to high labor turnover, and export volume declined by 22 percent. The declining trend continued in 1995, and export volume dropped further by 30 percent. To encourage exports, the Government recently granted "Export Processing Zone" status (see below) to the major garment exporters in Belize, exempting them from the payment of taxes.

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1/ There were also concerns initially about the impact of NAFTA on sugar exports. However, Mexico does not yet have the capacity to satisfy its own domestic market.

Belize has taken some steps to promote nontraditional exports such as mangoes, papayas, peanuts, and kidney beans, and nontraditional manufacturing such as handicrafts, processed wood products, shampoo, and data processing. To encourage such activities, in 1990 the Government enacted legislation contemplating the creation of Export Processing Zones (EPZs). Companies with EPZ status are exempted from all import licensing requirements, import tariffs, land taxes, most licenses and permits, and income taxes for at least 20 years. Since its introduction, the program has met with mixed results as three companies--a bicycle assembly factory and two textile firms--have closed down. EPZ firms operating in 1995 included a textile company, a shrimp farm, and a shampoo maker.

b. Imports

Retained imports grew by 7.3 percent a year on average in 1990-93 (Statistical Appendix Table 36). During this period, machinery imports and imports of manufactured foods increased by 9 and 12 percent a year, respectively. Fuel imports surged in 1991 but growth decelerated markedly in 1992-93 as oil prices fell and the economy shifted to lower cost fuel from Mexico and the Netherlands Antilles. Food imports rose sharply in 1992 because of a poor agricultural harvest but declined in 1993 as domestic production rebounded. Retained imports fell by 12 percent in 1994, reflecting the slowdown in economy activity, the withdrawal of the British troops, and the completion of some major projects. In 1995, retained imports are estimated to have risen by only 4 percent owing to a drawdown of inventories of imported goods. Imports of machinery, food, and fuel increased somewhat, while imports of manufactures remained unchanged. Re-exports fluctuated unevenly in 1990-94 and fell by 14 percent in 1995, due mainly to a decline in re-exports to Mexico.

Belize's major trading partners are the United States and the United Kingdom, which together account for 61 percent of total imports and 79 percent of total exports (Statistical Appendix Table 37). The large shares of these two countries reflect the preferential access provided to exports from Belize, as well as U.S. proximity. Trade with countries in the Central American region traditionally has been small, except for Mexico, which accounted for about 85 percent of Belize's forestry exports in 1994. Mexico's share of Belize's total trade rose from 5 percent in 1990 to close to 8 percent in 1994. In 1995, exports to Mexico collapsed while imports from Mexico increased strongly because of the sharp depreciation of the peso. Imports (primarily, fuel) from the Netherlands Antilles increased from less than 1 percent of total imports in 1990 to 5 percent in 1994. Belize's trade with CARICOM countries has remained small, averaging 4.6 percent of its total trade in 1990-95.

After declining in 1990-92, Belize's terms of trade improved in 1993 because of favorable prices for most of its major exports, particularly bananas and sugar (Chart 4b). In 1994, the terms of trade improved slightly as sharp increases in the prices of sawn wood and garments more than offset a decline in sugar prices. As noted above, sugar prices increased

by 19 percent in 1995, which allowed for an improvement in the terms of trade of 5.4 percent in that year (Statistical Appendix Table 38).

c. Services and transfers

Belize's services account recorded surpluses of about US\$60 million a year in 1990-95 (Table 13). After increasing sharply in 1990, the services account surplus grew at a slower pace in 1991-93 because of sluggish tourism receipts (in 1991) and increased outflows of direct investment income and payments for travel abroad (in 1992-93). In 1994, the surplus fell by 23 percent because of a sharp decline in services receipts related to the U.K. garrison as well as in BTL's international telephone receipts, following the troops' withdrawal. Preliminary data for 1995 indicate that the surplus declined further, reflecting the full effect of the reduction in the U.K. military presence, lower telephone receipts, and a drop in receipts by Petrojam attributable to a fall in molasses output. These factors offset a further increase in tourism receipts.

Tourism earnings have increased from about 18 percent of total exports of goods and nonfactor services in 1990 to an estimated 26 percent in 1995. Tourism earnings stagnated in 1990-91 because of the recession in the United States (Belize's most important customer) and other industrialized economies, but they rebounded by 23 percent a year in 1992-93. In 1994, the growth of earnings slowed to 6 percent because of a decline in visitors from the United Kingdom. Growth is estimated to have picked up to about 9 percent in 1995.

Services receipts related to defense maintenance expenditures by the United Kingdom averaged US\$22 million a year in 1990-93 but fell to US\$9 million in 1994, following the withdrawal of the troops. In 1995, U.K. expenditures on this account are estimated to have declined further to US\$3 million.

Net transfers fluctuated around US\$30 million a year in 1990-94, and are estimated to have increased to US\$35 million in 1995 because of a sizable increase in workers' remittances that more than offset a slight decline in official transfers.

3. Capital account

Belize's capital account registered surpluses averaging US\$20 million a year in 1990-95 (Table 13). The capital account surplus fell markedly in 1991 because of a sharp decline in private inflows associated with completion of the construction of several hotels, but it recovered in 1992-93 owing to an increase in official loan disbursements and a resumption of private inflows to finance the Mollejon hydro-electric project. The surplus declined in 1994 following completion of the project and a significant increase in amortization payments by the public sector. In 1995, the capital account surplus is estimated to have remained broadly unchanged

at US\$18 million, as a further decline in private inflows was offset by an increase in official loan disbursements.

Official loan disbursements increased from US\$15 million in 1990 to about US\$25 million in 1992 to finance several public sector projects, including the expansion of the airport, power and road projects, and the construction of the Belize City market. Disbursements remained in the order of US\$25 million a year in 1993-94, and rose to US\$30 million in 1995 to finance the construction of the Belize City Hospital, the Hummingbird highway, an infrastructure development project in Belize City, and a new power project. To finance its large investment program, during 1991-93 the Government placed increased reliance on suppliers' credits of relatively short maturities (one to five years). As a result, amortization payments rose sharply in 1994-95, and net official inflows fell below US\$10 million a year, after reaching a high of US\$15 million in 1992.

#### 4. External public debt

The outstanding external debt of the public sector rose by close to US\$60 million in 1990-95, to about US\$190 million (32 percent of GDP), reflecting the increase in central government borrowing to finance investment projects (Table 15). The central government's external debt increased by US\$73 million over the period, to US\$152 million in 1995 (26 percent of GDP), while the external debt of the rest of the nonfinancial public sector fell by US\$12 million to US\$20 million (3.4 percent of GDP) in 1995.

Relative to GDP, the total external public debt declined slightly, from 33 percent in 1990 to 32 percent in 1995 (Appendix Table 39). A large part of the debt (79 percent in 1995) is owed to multilateral and bilateral creditors, including the Caribbean Development Bank (17 percent), the World Bank (17 percent), the EEC (8 percent), the U.K. (13 percent), the U.S. (13 percent) and Taiwan Province of China (5 percent). The share of the debt owed to suppliers and commercial banks almost doubled in recent years, from 12 percent in 1990 to 21 percent in 1995. Since mid-1995, the Government has refrained from borrowing on commercial terms. In 1995, the Government's debt to commercial creditors declined by US\$3 million.

Because of the increased reliance on non-concessional loans during 1991-93, debt service payments increased from 5.0 percent of exports of goods and nonfactor services in 1992 to 9.7 percent in 1995. Amortization payments, in particular, more than doubled from 3.2 percent of exports and nonfactor services in 1992 to 6.8 percent in 1995, while interest payments increased from 1.7 percent to 2.9 percent.

#### 5. Exchange and trade system

Since 1976, the Belize dollar has remained pegged to the U.S. dollar at a rate of Bz\$2 per U.S. dollar. On April 1, 1996, the buying and selling rates were Bz\$1.9825 and Bz\$2.0175, respectively, per U.S. dollar. A stamp duty of 1.25 percent is levied on the sale of foreign exchange.

The Belize dollar remained relatively stable in real effective terms during 1990-94. The currency appreciated by 6 percent between the last quarter of 1990 and the last quarter of 1993 because of a sizable appreciation of the U.S. dollar vis-à-vis the pound sterling, but the appreciation of the Belize dollar was more than fully reversed by the last quarter of 1994 (Statistical Appendix Table 40; Chart 5). Since then, the currency has remained broadly unchanged in real effective terms.

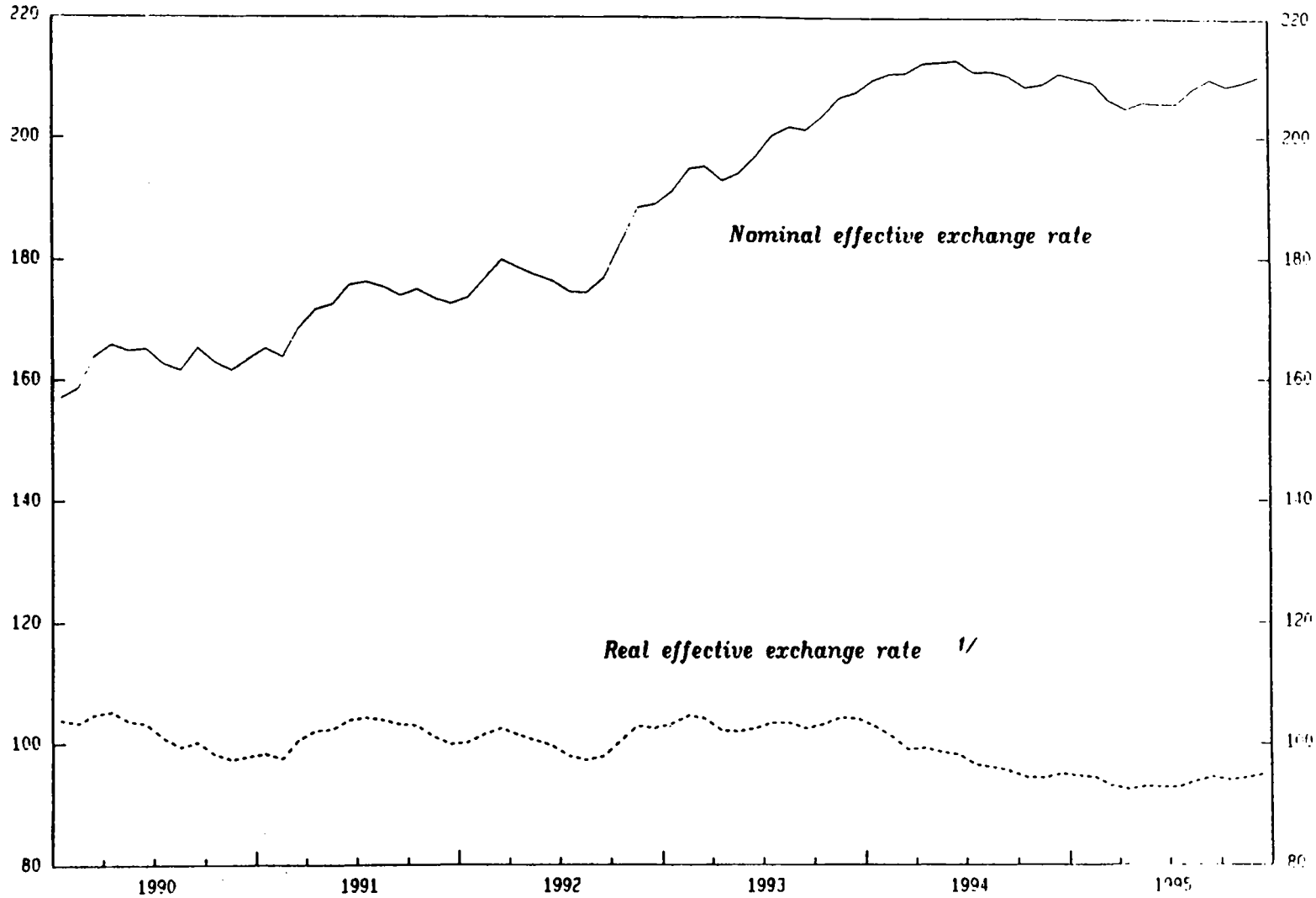
The Central Bank is responsible for administering exchange control. All capital transfers require the approval of the Central Bank even though control is, under normal circumstances, administered liberally. However, authority covering a wide range of operations vis-à-vis the private sector is delegated to the commercial banks in their capacity as authorized dealers. Export proceeds must be surrendered to authorized dealers not later than six months after the date of shipment, unless authorized by the Central Bank. Payments for imports require authorization from the Central Bank, but in most cases such authorization is delegated to the authorized dealers.

The Central Bank traditionally purchases foreign exchange from the commercial banks. However, to protect its foreign reserve position, during the second quarter of 1995 the Central Bank began to resort to the direct purchase of sugar export proceeds and the rationing of foreign exchange to commercial banks on an ad-hoc basis, except for some essential import items such as fuel, medicines, and insurance. The spread between the exchange rates in the official and parallel (illegal) markets increased somewhat in the first half of 1995 but stabilized at about 5 percent during the second half of 1995.

Belize's trade system has changed little since 1991. Six export items are subject to licensing (beans, fish products, sugar, logs and lumber, and live animals) intended primarily for monitoring and conservation purposes. In addition, 26 items, mostly consumer goods, are subject to quantitative import restrictions. Belize has agreed to remove quantitative restrictions on 6 of these 26 items by July 1996. A second phase for the removal of restrictions is expected to be undertaken in 1997, to be followed by a final phase involving the elimination of restrictions on agricultural products.

Presently, import tariffs range between 5 and 35 percent, with a few items at 50 and 70 percent, and some 400 items (mainly agricultural products) duty free. In addition, a revenue replacement duty ranging from 15 to 25 percent applies to 18 categories of goods, including beer, cigarettes, and liquor. As a member of CARICOM, Belize has undertaken to implement the Common External Tariff (CET) through a phased reduction in tariffs to a range of 0-20 percent by the year 2000. Belize has been given two additional years to comply with the agreement, but as part of the first phase, effective April 1, 1996 import duties were reduced to a range of 5-35 percent while stamp duties on imports and export taxes were eliminated. To compensate for the loss in revenue stemming from these measures, Belize introduced a value-added tax with a rate of 15 percent.

CHART 5  
 BELIZE  
 EXCHANGE RATE DEVELOPMENTS  
 (1990=100)



Source: Information Notice System.

1/ Trade weighted index of nominal exchange rates deflated by seasonally adjusted relative consumer prices.  
 An increase (decrease) indicates appreciation (depreciation).

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Table 1. Belize: Selected Economic Indicators

	1990	1991	1992	1993	1994	Est. 1995
<u>(Annual percentage change)</u>						
<u>GDP at current market prices</u>	<u>10.4</u>	<u>6.7</u>	<u>12.3</u>	<u>9.0</u>	<u>4.4</u>	<u>7.7</u>
GDP deflator	0.1	3.7	2.8	5.4	2.7	3.7
<u>Real GDP at market prices</u>	<u>10.2</u>	<u>3.0</u>	<u>9.3</u>	<u>3.4</u>	<u>1.6</u>	<u>3.8</u>
<u>Consumer price index</u>						
Average	3.0	3.2	2.4	1.4	2.5	2.9
End of period	4.0	3.1	2.0	2.3	1.8	3.9
<u>Terms of trade</u>	<u>-4.1</u>	<u>-2.0</u>	<u>-3.4</u>	<u>2.0</u>	<u>1.0</u>	<u>5.4</u>
Export prices <sup>1/</sup>	3.0	-2.6	-1.0	3.3	2.5	9.6
Import prices	7.4	-0.6	2.5	1.2	1.5	4.0
<u>(In percent of GDP at current prices)</u>						
<u>Gross domestic expenditure</u>	<u>107.3</u>	<u>110.9</u>	<u>108.8</u>	<u>110.7</u>	<u>105.4</u>	<u>104.5</u>
Consumption	79.5	81.2	78.8	78.7	81.0	81.3
Investment	27.9	29.8	29.9	32.0	24.4	23.2
Private	13.7	9.3	10.6	17.1	12.6	12.2
Public	14.2	20.4	19.3	14.9	11.8	11.0
<u>External savings <sup>2/</sup></u>	<u>1.6</u>	<u>6.9</u>	<u>6.0</u>	<u>8.9</u>	<u>4.1</u>	<u>2.3</u>
<u>Gross national savings</u>	<u>26.2</u>	<u>22.9</u>	<u>24.0</u>	<u>23.1</u>	<u>20.3</u>	<u>20.9</u>
Private	14.9	11.0	14.4	16.5	15.5	16.2
Public	11.3	11.9	9.6	6.6	4.8	4.7
<u>Gross domestic savings</u>	<u>20.5</u>	<u>18.8</u>	<u>21.2</u>	<u>21.3</u>	<u>19.0</u>	<u>18.7</u>

Sources: Central Bank of Belize; Central Statistical Office; and Fund staff estimates.

<sup>1/</sup> Includes tourism.

<sup>2/</sup> Deficit of surplus (-) in the current account of the balance of payments.



Table 2. Belize: Main Agricultural Crops, Acreage, and Production <sup>1/</sup>

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<u>(Units as indicated)</u>						
<u>Sugarcane</u>						
Acreage	58,905	60,000	60,000	65,000	65,000	...
Production ('000 long tons)						
Sugarcane	1,072.0	1,114.0	1,104.0	1,141.0	1,199.0	1,025.0
Sugar	100.3	101.9	100.5	100.2	105.4	105.3
Sugar exports ('000 long tons)	92.5	91.9	89.9	89.9	92.8	92.3
<u>Oranges</u>						
Acreage	31,162	41,124	47,383	55,403	60,483	...
Production ('000 90 lb. boxes)	1,696	1,203	2,407	1,793	2,020	3,100
<u>Grapefruit</u>						
Acreage	8,811	11,930	12,250	13,671	13,671	...
Production ('000 80 lb. boxes)	1,103	792	1,192	1,015	833	1,200
<u>Bananas</u>						
Acreage	6,192	5,113	5,200	4,353	5,300	...
Production for exports ( '000 42 lb. boxes)	1,723	1,157	1,545	2,140	2,520	2,341
<u>Corn</u>						
Acreage	24,326	27,641	29,454	32,199	29,910	...
Production (million lbs.)	41.2	70.2	56.2	59.9	51.3	51.7
Imports (million lbs.)	0.1	8.9	0.3	0.3	5.5	0.1
<u>Rice</u>						
Acreage	5,089	9,177	7,250	11,003	11,117	...
Production paddy (million lbs.)	10.2	10.6	14.6	21.5	14.3	21.5
Imports rice (million lbs.)	5.0	6.0	5.8	3.3	0.3	2.5
<u>Red kidney beans</u>						
Acreage	9,786	8,349	8,409	9,917	7,166	...
Production	5,660	7,833	5,518	7,988	7,071	6,900
Imports ('000 lbs.)	2,570	...	...	608	290	...
<u>(Output per acre)</u>						
<u>Sugar</u>						
Cane per acre (long tons)	18.2	18.6	18.4	17.6	18.4	...
Cane to sugar ratio	10.7	10.9	11.0	11.4	11.4	9.7
Oranges (90 lbs. boxes per acre)	54.4	29.3	50.8	32.4	33.4	...
Grapefruit (80 lbs. boxes per acre)	125.2	66.4	97.3	74.2	60.9	...
Bananas (42 lbs boxes per acre)	278.3	226.3	297.1	491.6	475.4	...
Corn (lbs. per acre)	1,692	2,539	1,909	1,862	1,715	...
Rice (lbs. per acre)	1,999	1,151	2,021	1,953	1,286	...
Red kidney beans (lbs. per acre)	578	938	656	805	987	...

Source: Central Statistical Office; and Ministry of Agriculture.

<sup>1/</sup> Production data on a crop year basis.

Table 3. Belize: Indices of Industrial Products  
(1984 = 100)

	Weight (percent)	1990	1991	1992	1993	1994	Prel. 1995
Sugar <u>1/</u>	53.4	99	100	99	99	104	104
Molasses <u>1/</u>	1.9	90	97	92	88	98	108
Flour	1.5	914	973	1023	1071	1051	1005
Fertilizer	2.0	237	246	303	385	591	573
Cigarettes	4.9	157	161	161	163	166	146
Beer	6.0	132	149	160	239	196	173
Soft Drinks	11.5	111	123	124	141	171	193
Batteries	0.3	199	201	202	179	172	200
Nails	0.6	--	--	--	--	--	--
Roofing	0.6	31	23	17	12	9	7
Garments	6.1	183	198	207	217	168	100
Citrus Concentrates	11.3	183	112	273	196	211	313
Industrial Production <u>2/</u>	100.0	134	131	152	152	159	165

Source: Statistical Appendix Tables 22.

1/ Production data are on a crop-year basis.

2/ Based on value added of the manufacturing sector.

Table 4. Belize: Average Retail Prices for Selected Petroleum Products

	1990	1991	1992	1993	1994	1995
<b>(In Belize dollars per unit)</b>						
Premium gasoline (gal.)	4.28	4.63	4.63	4.53	4.73	4.98
Regular gasoline (gal.)	4.16	4.53	4.52	4.42	4.57	4.88
Kerosene (gal.)	2.50	2.44	2.44	2.49	2.54	2.75
Diesel (gal.)	3.27	3.01	2.96	3.04	3.11	3.40
<b>(Annual percentage changes)</b>						
Premium gasoline	13.5	8.2	--	-2.2	4.4	5.3
Regular gasoline	13.7	8.9	-0.2	-2.2	3.4	6.8
Kerosene	23.8	-2.4	--	2.0	2.0	8.3
Diesel	12.8	-8.0	-1.7	2.7	2.3	9.3
<b>Memorandum items:</b>						
Food, Beverages and Tobacco	1.9	4.4	2.9	1.7	0.7	4.0
Clothing and Footwear	1.8	3.2	2.5	0.6	-2.3	0.8
Household Goods and Maintenance	7.0	2.4	3.3	3.2	2.3	-0.5
Rent, Water, Fuel, and Power	...	0.7	0.5	1.4	7.1	7.6
Medical Care	...	4.5	3.4	1.7	1.5	9.1
Transportation and Communication	6.3	3.3	1.2	0.2	1.9	2.7
Recreation, Education, and Culture	...	1.9	0.1	10.5	1.3	4.5
Personal Care	...	4.8	2.7	4.6	-0.3	4.8

Sources: Statistical Appendix Tables 24 and 25.

Table 5. Belize: Summary Operations of the Nonfinancial Public Sector

(In percent of GDP)

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>Total revenue and grants</b>	<b>32.7</b>	<b>37.6</b>	<b>33.6</b>	<b>29.5</b>	<b>28.8</b>	<b>27.5</b>
Current revenue	29.8	30.1	29.5	28.0	27.2	26.3
Central Government	26.1	24.7	25.3	23.5	23.4	22.4
Social Security Board	2.1	2.3	2.6	2.6	2.3	2.3
NFFE's current surplus	1.5	3.2	1.6	1.9	1.5	1.6
Grants and capital revenue	2.9	7.5	4.1	1.4	1.6	1.1
<b>Total expenditure</b>	<b>33.3</b>	<b>41.7</b>	<b>41.3</b>	<b>36.0</b>	<b>34.0</b>	<b>32.6</b>
Current expenditure	17.9	18.4	20.5	22.1	22.9	21.6
General government	17.9	18.4	20.5	22.1	22.9	21.6
Central Government	17.2	17.5	19.3	20.6	21.4	20.2
Of which: severance payments	--	--	--	--	--	0.6
Social Security Board	0.7	0.9	1.2	1.4	1.5	1.3
Capital expenditure	15.4	23.3	20.8	13.9	11.1	11.0
Of which: locally funded	9.6	12.9	11.1	6.9	5.3	4.9
General government	11.6	19.2	19.3	12.6	10.0	8.7
Central Government	10.7	17.6	17.1	10.7	9.3	8.5
Social Security Board	0.9	1.6	2.2	1.9	0.7	0.2
Public enterprises	3.8	4.1	1.5	1.3	1.1	2.3
<b>Current account surplus</b>	<b>11.9</b>	<b>11.7</b>	<b>2.0</b>	<b>6.0</b>	<b>4.4</b>	<b>4.8</b>
Before severance payments	11.9	11.7	9.0	6.0	4.4	5.4
<b>Overall balance (deficit-)</b>	<b>-0.6</b>	<b>-4.1</b>	<b>-7.6</b>	<b>-6.5</b>	<b>-5.1</b>	<b>-5.1</b>
Before severance payments	-0.6	-4.1	-7.6	-6.5	-5.1	-4.5
<b>Financing</b>	<b>0.6</b>	<b>4.1</b>	<b>7.6</b>	<b>6.5</b>	<b>5.1</b>	<b>5.1</b>
External	1.5	3.0	4.1	2.3	1.0	2.0
Domestic	-0.9	1.1	3.5	4.2	4.1	3.1
Banking system	-2.3	2.9	3.2	5.9	3.2	3.1
Central Bank	-2.5	1.3	4.8	2.6	1.2	2.3
Commercial banks	0.2	1.6	-1.6	3.3	2.0	0.8
Other	1.4	-1.8	0.3	-1.7	0.9	--

Sources: Ministry of Finance; Statutory Boards; and Fund staff estimates.

Table 6. Belize: Summary Operations of the Central Government

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
(In percent of GDP)						
<b>Revenue and grants</b>	<b>29.1</b>	<b>32.1</b>	<b>30.9</b>	<b>25.0</b>	<b>25.0</b>	<b>23.6</b>
Revenue	27.5	28.4	28.8	24.3	23.8	22.9
Current revenue	26.1	24.7	25.3	23.5	23.4	22.4
Tax	21.8	20.9	21.1	20.6	20.6	20.0
Nontax	4.3	3.8	4.2	2.9	2.8	2.4
Capital <sup>1/</sup>	1.3	3.7	3.5	0.8	0.4	0.5
Grants	1.6	3.7	2.0	0.7	1.2	0.7
<b>Total expenditure</b>	<b>28.5</b>	<b>36.2</b>	<b>37.1</b>	<b>31.6</b>	<b>31.0</b>	<b>29.1</b>
Current expenditure	17.2	17.5	19.3	20.6	21.4	20.2
Of which: severance payments	--	--	--	--	--	0.6
Capital expenditure	11.3	18.7	17.8	10.9	9.6	8.8
Of which: locally funded	6.8	9.4	9.9	5.6	4.2	3.2
<b>Current account surplus</b>	<b>2.0</b>	<b>7.1</b>	<b>6.0</b>	<b>2.9</b>	<b>2.1</b>	<b>2.2</b>
Before severance payments	9.0	7.1	6.0	2.9	2.1	2.8
<b>Overall balance (deficit -)</b>	<b>0.6</b>	<b>-4.1</b>	<b>-6.2</b>	<b>-6.6</b>	<b>-6.0</b>	<b>-5.4</b>
Before severance payments	0.6	-4.1	-6.2	-6.6	-6.0	-4.8
<b>Financing</b>						
External (net)	1.1	3.8	4.2	2.6	1.5	1.5
Domestic	-1.7	0.3	2.0	4.0	4.5	4.0
Banking system	-2.5	1.7	2.5	4.6	3.6	4.0
Other	0.8	-1.4	-0.5	-0.6	0.9	--
(Annual percentage change)						
<b>Revenue and grants</b>	<b>15.1</b>	<b>20.6</b>	<b>6.7</b>	<b>-12.6</b>	<b>5.9</b>	<b>1.1</b>
Of which: revenue	11.8	12.8	12.8	-8.9	3.6	2.9
<b>Total expenditure</b>	<b>5.3</b>	<b>38.8</b>	<b>13.8</b>	<b>-8.0</b>	<b>3.3</b>	<b>0.5</b>
Current expenditure	3.4	11.4	22.0	15.9	9.4	1.3
Capital expenditure	8.4	80.3	6.2	-33.8	-7.4	-1.5

Sources: Ministry of Finance; and Fund staff estimates.

<sup>1/</sup> In FY 1991/92 and FY 1992/93 includes proceeds from the privatization of the Belize Telecommunication Company (BTL) and the Belize Electricity Company (BEL).

Table 7. Belize: Summary Central Government Revenue

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<u>(Percent of total revenue)</u>						
Income tax	18.5	18.4	21.2	23.3	23.8	21.2
Property tax	0.7	0.5	1.0	0.5	0.6	0.7
Taxes on goods and services	9.1	8.2	7.4	11.4	10.9	11.8
Taxes on international trade	48.9	45.0	41.5	47.8	48.9	51.3
Nontax revenue	15.8	13.3	14.5	11.9	11.7	10.5
Capital revenue	4.9	13.0	12.3	3.1	1.6	2.1
<u>(Percentage of GDP)</u>						
<u>Total revenue and grants</u>	<u>29.1</u>	<u>32.1</u>	<u>30.9</u>	<u>25.0</u>	<u>25.0</u>	<u>23.6</u>
Total revenue	27.5	28.4	28.8	24.4	23.8	22.9
Tax revenue	21.8	20.9	21.1	20.7	20.6	20.0
Income tax	5.1	5.2	6.1	5.7	5.7	4.9
Property tax	0.2	0.1	0.3	0.1	0.1	0.1
Taxes on goods and services	2.5	2.3	2.1	2.7	2.6	2.7
Taxes on international trade	13.4	12.8	12.0	11.7	11.7	11.8
Other taxes	0.6	0.5	0.6	0.5	0.5	0.5
Nontax revenue	4.3	3.8	4.2	2.9	2.8	2.4
Capital revenue	1.3	3.7	3.5	0.8	0.4	0.5
Grants	1.6	3.7	2.0	0.7	1.2	0.7
<u>(Annual percentage change)</u>						
<u>Tax revenue</u>	<u>10.6</u>	<u>4.6</u>	<u>12.1</u>	<u>5.8</u>	<u>5.7</u>	<u>3.7</u>
Income tax	15.1	11.9	30.4	0.2	5.8	-8.5
Taxes on goods and services	12.2	2.0	1.4	40.0	-1.0	11.7
Taxes on international trade	8.7	3.9	4.2	4.8	6.0	8.0
Nontax revenue	36.0	-4.8	23.1	-25.3	1.6	-7.7

Sources: Belize authorities; and Fund staff estimates.

Table 8. Belize: Summary Central Government Expenditure

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>(Percent of total expenditure)</b>						
<b>Current expenditure</b>	<b>60.3</b>	<b>48.4</b>	<b>51.9</b>	<b>65.4</b>	<b>62.1</b>	<b>62.7</b>
Wages and salaries	33.5	26.1	28.7	36.0	38.0	38.7
Goods and services	13.6	10.8	11.4	13.4	13.3	12.2
Interest payments	4.3	2.8	3.5	6.2	6.3	6.9
Subsidies and current transfers	5.8	5.8	5.2	6.0	7.4	7.3
<b>Capital expenditure and net lending</b>	<b>39.7</b>	<b>51.6</b>	<b>48.1</b>	<b>34.6</b>	<b>30.9</b>	<b>30.3</b>
Development expenditure	37.5	48.6	46.1	33.9	30.0	29.2
Transfers and net lending	2.2	3.0	2.0	0.7	0.9	1.1
<b>(Percent of GDP)</b>						
<b>Total expenditure</b>	<b>28.5</b>	<b>26.2</b>	<b>27.1</b>	<b>21.6</b>	<b>21.0</b>	<b>22.1</b>
Current expenditure	17.2	17.5	19.3	20.7	21.4	20.2
Wages and salaries	9.5	9.4	10.7	11.4	11.8	11.3
Goods and services	3.9	3.9	4.2	4.2	4.1	3.6
Interest payments	1.2	1.0	1.3	2.0	1.9	2.0
Subsidies and current transfers	1.7	2.1	1.9	1.9	2.3	2.1
Capital expenditure and net lending	11.3	18.7	17.8	10.9	9.6	8.8
Development expenditure	10.7	17.6	17.1	10.7	9.3	8.5
Transfers and net lending	0.6	1.1	0.7	0.2	0.3	0.3
<b>(Annual percentage change)</b>						
<b>Total expenditure</b>	<b>5.3</b>	<b>28.8</b>	<b>12.8</b>	<b>-8.0</b>	<b>2.6</b>	<b>0.5</b>
Current expenditure	3.4	11.4	22.0	15.9	9.4	1.3
Wages and salaries	9.6	8.0	25.3	15.2	9.5	2.4
Goods and services	1.3	10.2	20.6	8.2	2.4	-7.4
Subsidies and current transfers	-4.3	38.1	2.2	6.9	26.2	-0.4
Capital expenditure and net lending	8.4	80.3	6.2	-33.8	-7.4	-1.5

Sources: Belize authorities; and Fund staff estimates.

Table 9. Belize: Summary Operations of the Nonfinancial Public Enterprises

(In percent of GNP)

	1990/91	1991/92	1992/93 <sup>1/</sup>	1993/94 <sup>1/</sup>	1994/95 <sup>1/</sup> Prel.	1995/96 Est.
<b>Revenue and grants</b>	<b>16.5</b>	<b>16.0</b>	<b>9.1</b>	<b>8.7</b>	<b>8.4</b>	<b>8.6</b>
Current revenue	15.9	14.9	8.3	8.5	8.1	8.3
Operating revenue	15.4	14.4	7.8	8.2	7.9	8.0
Nonoperating revenue	0.5	0.5	0.5	0.3	0.2	0.3
Transfers from Government	0.1	0.2	0.2	0.1	0.1	0.2
Other	0.4	0.3	0.3	0.2	0.1	0.1
Capital transfers from Government	0.6	1.1	0.7	0.2	0.3	0.3
Grants	--	--	0.1	--	--	--
<b>Expenditure</b>	<b>18.2</b>	<b>15.8</b>	<b>9.7</b>	<b>7.9</b>	<b>7.8</b>	<b>9.1</b>
Current expenditure	14.4	11.7	6.7	6.6	6.7	6.7
Operating expenditure	11.0	8.6	5.7	5.8	5.9	6.0
Nonoperating expenditure	3.3	3.3	1.0	0.8	0.8	0.7
Transfers to Government <sup>2/</sup>	2.2	1.9	0.5	0.1	0.2	0.2
Interest and dividend expenses	1.1	1.3	0.5	0.6	0.6	0.5
Capital expenditure <sup>3/</sup>	3.8	4.1	3.0	1.3	1.1	2.4
<b>Operating balance</b>	<b>4.3</b>	<b>5.8</b>	<b>2.0</b>	<b>2.4</b>	<b>2.0</b>	<b>2.0</b>
<b>Current balance</b>	<b>1.5</b>	<b>3.2</b>	<b>1.6</b>	<b>1.9</b>	<b>1.5</b>	<b>1.6</b>
<b>Overall balance (deficit -)</b>	<b>-1.7</b>	<b>0.1</b>	<b>-0.6</b>	<b>0.8</b>	<b>0.6</b>	<b>-0.5</b>

Sources: Belize authorities; and Fund staff estimates.

<sup>1/</sup> Excludes the Belize Telecommunications Limited, which was privatized in February 1992.

<sup>2/</sup> Includes income taxes, dividend payments, and other transfers.

<sup>3/</sup> Includes transfers to the Central Government.



Table 10. Belize: Summary Accounts of the Financial Sector

	December					Est.
	1990	1991	1992	1993	1994	1995
(In millions of Belize dollars)						
<u>International reserves (net)</u>	<u>136.4</u>	<u>98.1</u>	<u>77.0</u>	<u>26.8</u>	<u>15.8</u>	<u>50.5</u>
Of which net official reserves	130.0	86.6	88.4	50.2	42.4	50.5
<u>Domestic credit</u>	<u>271.9</u>	<u>361.2</u>	<u>452.3</u>	<u>535.3</u>	<u>586.5</u>	<u>646.8</u>
Credit to the public sector	-49.9	-39.2	3.6	56.8	77.0	106.7
Central Government (net)	1.7	21.0	47.4	78.8	103.0	135.0
Rest of public sector (net)	-51.6	-60.2	-43.8	-22.0	-26.0	-28.3
Credit to Private Sector	343.7	419.1	474.1	498.4	536.4	576.2
Other assets (net)	-21.9	-18.6	-25.4	-19.9	-26.9	-36.1
<u>Foreign liabilities</u> (medium- and long-term)	<u>32.2</u>	<u>30.9</u>	<u>29.7</u>	<u>26.3</u>	<u>28.4</u>	<u>28.1</u>
<u>Liabilities to private sector</u>	<u>376.2</u>	<u>428.4</u>	<u>499.6</u>	<u>535.7</u>	<u>573.9</u>	<u>669.2</u>
Money and quasi-money	341.6	386.0	455.0	482.2	522.3	602.5
Money	98.7	107.9	125.2	134.2	142.0	145.2
Quasi-money 2/	242.9	278.1	329.8	348.0	380.2	457.3
Capital and reserves	34.6	42.3	44.6	53.5	51.7	66.8
<u>Memorandum:</u>						
Monetary base	81.6	86.4	104.5	104.0	101.9	115.5
Foreign reserve coverage	159.3	100.2	84.6	48.2	41.6	43.7
GDP at current prices	805.9	860.2	966.3	1053.2	1099.7	1183.9
(Annual changes, as percent of liabilities to the private sector) 3/						
<u>Domestic credit</u>	<u>4.0</u>	<u>23.7</u>	<u>21.3</u>	<u>16.6</u>	<u>9.6</u>	<u>10.5</u>
Credit to the public sector	-3.5	2.8	10.0	10.6	3.8	5.2
Central Government (net)	-3.1	5.1	6.1	6.3	4.5	5.6
Rest of public sector (net)	-0.4	-2.3	3.8	4.4	-0.7	-0.4
Credit to the private sector	6.8	20.0	12.8	4.9	7.1	6.9
Other assets (net)	0.7	0.9	-1.6	1.1	-1.3	-1.6
(Annual percentage change)						
<u>Liabilities to the private sector</u>	<u>11.5</u>	<u>13.9</u>	<u>16.6</u>	<u>7.2</u>	<u>7.1</u>	<u>16.6</u>
Money and quasi-money	11.6	13.0	17.9	6.0	8.3	15.4
Money	2.4	9.4	16.0	7.2	5.8	2.2
Quasi-money	15.9	14.5	18.6	5.5	9.3	20.3
Capital and reserves	10.1	22.5	5.3	20.1	-3.5	29.2
(In percent of GDP)						
<u>Domestic credit</u>	<u>33.7</u>	<u>42.0</u>	<u>46.8</u>	<u>50.8</u>	<u>53.3</u>	<u>54.6</u>
Credit to the public sector	-6.2	-4.6	0.4	5.4	7.0	9.0
Central Government (net)	0.2	2.4	4.9	7.5	9.4	11.4
Rest of public sector (net)	-6.4	-7.0	-4.5	-2.1	-2.4	-2.4
Credit to the private sector	42.7	48.7	49.1	47.3	48.8	48.7
Other assets (net)	-2.7	-2.2	-2.6	-1.9	-2.4	-3.1
<u>Liabilities to the private sector</u>	<u>46.7</u>	<u>49.8</u>	<u>51.7</u>	<u>50.9</u>	<u>52.2</u>	<u>56.5</u>
Money and quasi-money	42.4	44.9	47.1	45.8	47.5	50.9
Money	12.2	12.5	13.0	12.7	12.9	12.3
Quasi-money	30.1	32.3	34.1	33.0	34.6	38.6
Capital and reserves	4.3	4.9	4.6	5.1	4.7	5.6
<u>Memorandum items:</u> (Annual percentage change)						
Monetary base	-2.0	5.8	21.0	-0.4	-2.1	13.4
Credit to the private sector	7.1	21.9	13.1	5.1	7.6	7.4
GDP at current prices	11.0	6.7	12.3	9.0	4.4	7.7

Source: Statistical Appendix Table 29.

1/ Preliminary.

2/ Includes deposit liabilities of the credit unions.

3/ As percent of liabilities to the private sector at the beginning of the year.

Table 11. Belize: Legal Minimum Interest Rates  
(In percent per annum)

	December 12, 1986 to July 31, 1988	August 1, 1988 to March 31, 1989	April 1, 1989 to March 25, 1994	March 26, 1994 to January 2, 1995	January 3, 1995 to Present
<b><u>Commercial bank interest rates</u></b> <sup>1/</sup>					
<b>Savings deposits</b>					
Passbook	5.0	4.5	5.0	4.5	4.5
Premium	8.0	6.0	6.0	--	--
<b>Time deposits</b>					
1 month	8.0	--	--	6.5	--
1-3 months	--	7.0	7.0	6.5	--
3-6 months	10.0	8.0	8.0	6.5	--
6 months-1 year	--	8.5	8.5	6.5	--
1 year	11.0	--	--	6.5	--
2 years	12.0	--	--	6.5	--
<b>Loans</b>					
Minimum lending rate	12.0	10.0	10.0	9.0	--
<b><u>Memorandum item</u></b>					
Central bank discount rates	12.0	10.0	12.0	11.0	12.0

Source: Central Bank of Belize.

<sup>1/</sup> Minimum rates set by the Central Bank of Belize.

Table 12. Belize: Commercial Bank's Liquidity Position  
(In millions of Belize dollars)

	December					1995			
	1990	1991	1992	1993	1994	Mar	Jun	Sep	Dec
<b>Average deposits liabilities</b>	<b>356.7</b>	<b>409.6</b>	<b>451.1</b>	<b>456.6</b>	<b>489.7</b>	<b>479.5</b>	<b>514.2</b>	<b>539.2</b>	<b>560.9</b>
<b>Required minimum liquidity 1/</b>	<b>28.0</b>	<b>25.0</b>	<b>27.0</b>	<b>28.0</b>	<b>28.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>26.0</b>
Deposits with Central Bank	7.0	6.0	7.0	7.0	7.0	5.0	5.0	5.0	7.0
Other liquid assets 2/	21.0	19.0	20.0	21.0	21.0	19.0	19.0	19.0	19.0
<b>Actual liquidity 1/ 3/</b>	<b>36.1</b>	<b>27.9</b>	<b>28.2</b>	<b>30.3</b>	<b>31.2</b>	<b>27.8</b>	<b>27.8</b>	<b>28.6</b>	<b>29.2</b>
Deposits with Central Bank	8.0	6.3	8.0	8.0	7.3	5.6	6.0	5.2	7.6
Other liquid assets	28.1	21.6	20.2	22.3	23.9	22.2	21.8	23.4	21.6
Of which: foreign assets	10.4	6.8	6.5	8.6	8.9	9.3	9.3	8.8	7.8
treasury bills	14.8	12.3	11.2	11.3	9.5	8.2	8.0	10.3	10.0
<b>Excess liquidity 1/</b>	<b>8.1</b>	<b>2.9</b>	<b>1.2</b>	<b>2.3</b>	<b>3.2</b>	<b>3.8</b>	<b>3.8</b>	<b>4.6</b>	<b>3.2</b>
<b>Memorandum items</b>									
<b>(end of period)</b>									
<b>Total deposits</b>	<b>362.7</b>	<b>406.3</b>	<b>446.6</b>	<b>445.4</b>	<b>466.8</b>	<b>449.0</b>	<b>480.5</b>	<b>502.8</b>	<b>527.0</b>
Of which:									
Central Government	29.9	36.0	31.2	29.4	22.6	3.2	4.7	4.2	3.9
Social Security Board	45.3	50.8	43.0	20.0	18.6	15.7	17.1	18.7	19.7
<b>Total loans and advances</b>	<b>278.8</b>	<b>341.8</b>	<b>385.5</b>	<b>398.0</b>	<b>417.6</b>	<b>420.0</b>	<b>424.0</b>	<b>428.7</b>	<b>449.3</b>
<b>Credit/deposit ratio</b>	<b>76.9</b>	<b>84.1</b>	<b>86.3</b>	<b>89.4</b>	<b>89.5</b>	<b>93.5</b>	<b>88.2</b>	<b>85.3</b>	<b>85.3</b>

Source: Central Bank of Belize.

1/ Ratio to average deposits (percent).

2/ Includes cash in vault, Belize government treasury bills, foreign assets, and other approved assets.

3/ The required minimum liquidity rates were reduced in October 1991, increased in October 1992, increased again in October 1993, reduced in January 1995, and increased in December 1995.

Table 13. Belize: Balance of Payments

	1990	1991	1992	1993	Prei. 1994	Est. 1995
(In millions of U.S. dollars)						
<u>Current account balance</u>	<u>-6.5</u>	<u>-29.8</u>	<u>-28.8</u>	<u>-46.7</u>	<u>-22.5</u>	<u>-13.5</u>
Trade balance	-101.3	-122.3	-126.6	-146.2	-105.5	-98.7
Exports, f.o.b.	142.4	128.8	148.1	141.8	156.4	164.4
Of which: Domestic exports	108.4	98.6	115.6	118.3	127.6	143.0
Imports, c.i.f. 1/	-243.7	-251.2	-274.6	-288.0	-261.9	-263.1
Services (net)	65.0	64.5	67.4	69.8	53.8	50.4
Nonfactor services	71.8	75.3	84.2	89.6	75.6	71.7
Tourism	44.5	44.8	59.7	67.3	71.4	77.6
Embassy and military	26.4	26.5	24.1	26.7	16.1	9.6
Other	0.9	4.0	0.5	-4.3	-11.8	-15.4
Factor services	-6.8	-10.8	-16.8	-19.8	-21.9	-21.3
Interest on public debt	-5.6	-4.7	-4.9	-5.4	-6.7	-8.6
Other	-1.2	-6.1	-12.0	-14.4	-15.1	-12.8
Transfers	29.7	28.1	30.3	29.7	29.3	34.7
Private (net)	16.7	15.5	17.6	15.5	14.5	19.7
Official (net)	13.1	12.6	12.7	14.1	14.8	15.1
<u>Capital account balance</u>	<u>17.1</u>	<u>8.1</u>	<u>29.7</u>	<u>27.7</u>	<u>18.6</u>	<u>17.5</u>
Public sector	5.0	9.1	14.6	11.7	8.0	9.9
Drawings	15.0	20.2	26.4	25.3	26.6	30.9
Amortization	-9.4	-11.0	-9.2	-11.8	-16.0	-20.0
Other	-0.7	-0.1	-2.6	-1.7	-2.6	-1.0
Private capital 2/	12.1	-1.0	15.2	15.9	10.6	7.7
<u>Overall balance</u>	<u>10.6</u>	<u>-21.7</u>	<u>0.9</u>	<u>-19.1</u>	<u>-3.9</u>	<u>4.0</u>
Change in reserves (- increase)	-10.6	21.7	-0.9	19.1	3.9	-4.0
(In percent of GDP)						
Current account balance	-1.6	-6.9	-6.0	-8.9	-4.1	-2.3
Trade balance	-25.1	-28.4	-26.2	-27.8	-19.2	-16.7
Capital account	4.2	1.9	6.2	5.3	3.4	3.0
Public sector	1.2	2.1	3.0	2.2	1.5	1.7
Private sector 2/	3.0	-0.2	3.1	3.0	1.9	1.3
Overall balance	2.6	-5.0	0.2	-3.6	-0.7	0.7
Public external debt	33.0	35.0	31.0	31.9	32.8	32.3
(Percentage changes, unless otherwise indicated)						
Real GDP	10.2	3.0	9.3	3.4	1.6	3.8
Export volume	12.6	-4.9	19.1	-1.5	4.8	0.5
Import volume	-8.8	19.6	6.6	3.6	-10.4	-3.4
Terms of trade	-4.1	-2.0	-3.4	2.0	1.0	5.4
Public debt service ratio (in percent of export of goods and nonfactor services)	7.2	6.7	5.0	6.0	7.9	9.7
Gross reserves (in months of imports of goods and nonfactor services)	3.0	2.1	2.0	1.1	1.0	1.1

Sources: Central Bank of Belize; Central Statistical Office; and Fund staff estimates.

1/ Imports include imports through parcel post.

2/ Includes errors and omissions.

**Table 14. Belize: Sugar Exports by Market**  
(In millions of US dollars; volume in thousands of  
long tons; prices in US cents per pound)

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b><u>Total sugar exports</u></b>						
Value	42.8	41.7	37.6	41.5	40.3	47.7
Volume	92.5	91.9	89.9	90.3	92.8	92.3
Unit Value (US cents/lb.)	20.6	20.2	18.7	20.5	19.4	23.1
<b><u>United States</u></b>						
Value	12.9	10.2	6.3	5.4	4.6	6.3
Volume	33.4	21.2	13.8	12.1	10.2	14.1
Unit Value (US cents/lb.)	17.2	21.5	20.4	19.9	19.9	19.9
<b><u>EEC</u></b>						
Value	24.3	26.0	24.5	28.2	25.7	34.8
Volume	41.7	45.2	42.1	42.2	42.6	54.5
Unit Value (US cents/lb.)	26.0	25.7	26.0	29.8	26.9	28.5
<b><u>Free market</u></b>						
Value	5.5	5.6	7.0	7.9	10.1	6.7
Volume	17.3	25.4	34.0	35.9	40.1	23.7
Unit Value (US cents/lb.)	14.2	9.8	9.2	9.8	11.2	12.6
<b><u>Memorandum item:</u></b>						
Share of sugar exports in domestic exports (in percent)	30.0	32.4	25.4	29.2	27.9	29.0

Sources: Central Statistical Office; and Fund staff estimates.

Table 15. Belize: External Public Debt

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<u>(In millions of U.S. dollars)</u>						
<u>Debt outstanding (end-of-period) 1/</u>	<u>132.9</u>	<u>150.4</u>	<u>149.8</u>	<u>167.9</u>	<u>180.4</u>	<u>191.3</u>
Central Government	79.0	92.2	104.6	126.6	143.2	151.8
Rest of the public sector	31.4	33.2	22.8	20.4	18.3	19.9
Financial public sector	22.5	25.0	22.4	20.9	18.9	19.5
<u>Transactions During the period</u>						
Drawings (including IMF)	15.0	20.2	26.4	25.3	26.6	30.9
Debt service (including IMF)	18.0	16.1	14.1	17.3	22.7	28.6
Amortization	12.4	11.4	9.2	11.8	16.0	20.0
Interest	5.6	4.7	4.9	5.5	6.7	8.6
Debt Service (excluding IMF)	15.0	15.6	14.1	17.3	22.7	28.6
<u>(In percent of GDP)</u>						
External debt (including IMF) 2/	33.0	35.0	31.0	31.9	32.8	32.3
External debt (excluding IMF)	32.9	35.0	31.0	31.9	32.8	32.3
Debt service (including IMF) 3/	4.5	3.7	2.9	3.3	4.1	4.8
Amortization	3.1	2.7	1.9	2.2	2.9	3.4
Interest	1.4	1.1	1.0	1.0	1.2	1.4
Debt service (excluding IMF)	3.7	3.6	2.9	3.3	4.1	4.8
<u>(In percent of exports of goods and nonfactor services)</u>						
External debt (including IMF)	53.1	62.3	52.9	58.7	62.9	65.0
External debt (excluding IMF)	52.9	62.3	52.9	58.7	62.9	65.0
Debt service (including IMF)	7.2	6.7	5.0	6.0	7.9	9.7
Amortization	5.0	4.7	3.2	4.1	5.6	6.8
Interest	2.2	1.9	1.7	1.9	2.3	2.9
Debt service ratio (excluding IMF)	6.0	6.5	5.0	6.0	7.9	9.7

Sources: Central Bank of Belize; and Fund staff estimates.

1/ Includes valuation adjustments for changes in the stock of debt resulting from changes in the exchange rate.

2/ IMF debt in U.S. dollars was calculated using the end period USS/SDR exchange rate.

3/ IMF debt service in U.S. dollars was calculated using the average USS/SDR exchange rate.

Belize: Changes in the Tax System during 1995

A. A number of changes were made to the income tax structure effective January 1, 1995.

1. The number of tax brackets was raised from four to six, while the minimum and maximum marginal tax rates remained unchanged at 15 percent and 45 percent, respectively. Changes to tax brackets and rates were as follows:

I. Prior to January 1, 1995

<u>Tax brackets</u>	<u>Tax rates</u>
<u>(In Belize dollars, unless otherwise indicated)</u>	
<u>Chargeable income</u>	
Less than 14,001	15 percent
14,001 to 29,000	25 percent
29,001 to 60,000	35 percent
60,001 and above	50 percent

II. As of January 1, 1995

<u>Chargeable income</u>	
Less than 12,001	15 percent
12,001 to 17,000	20 percent
17,001 to 25,000	25 percent
25,001 to 37,000	30 percent
37,001 to 60,000	35 percent
60,001 and above	45 percent

2. The income tax threshold was raised from \$7,000 a year to \$10,400 a year, thereby removing 7,000 low-income taxpayers from the tax rolls.

3. Basic allowance: Allowances for self, spouse, children and dependents have been repealed and replaced with the following basic deductions: (i) the basic allowance is \$10,000 for persons with gross income from all sources of less than \$25,000; and (ii) the basic allowance is \$8,000 for persons with gross income from all sources of \$25,000 or more.

4. Regulations for claiming deductions for charitable gifts were simplified by setting a maximum fixed sum of \$2,400 for each taxpayer; prior to this, allowable deductions for charitable gifts had a cap of one sixth of the chargeable income of the taxpayer.

B. Domestic excise taxes and import surcharges on a number of items were raised effective December 1, 1995, as follows:

	<u>Prior to</u> <u>Dec. 1, 1995</u>	<u>As of</u> <u>Dec. 1, 1995</u>
	<u>(In Belize dollars, unless</u> <u>otherwise indicated)</u>	
<u>Excise duties</u>		
Locally produced beer	13.54/gallon	17.29/gallon
Locally produced spirits 1/	34.00/gallon	50.00/gallon
Locally produced cigarettes		
weighing not more than 3 pounds		
per thousand	2.50/hundred	5.00/hundred
weighing more than 3 pounds per		
thousand	2.80/hundred	5.60/hundred
<u>Import rates and surcharges</u>		
Beer	19.06/gallon	22.81/gallon
Cigars, cheroots, and cigarillos		
containing tobacco	16.67/pound	22.67/pound
Cigarettes containing tobacco	21.50/pound	34.40/pound
Other cigars, and tobacco products	12.50/pound	20.00/pound
Snuff (pulverized tobacco)	15.50/pound	24.80/pound
Regular gasoline	2.39/gallon	2.64/gallon
Premium gasoline	2.41/gallon	2.66/gallon

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1/ In order to maintain the price differential between locally produced and imported spirits, the import duty on spirits was raised from \$78.00 to \$91.00 per gallon.



### The Framework for Monetary Policy in Belize

The framework for the conduct of monetary policy in Belize is established in the Central Bank of Belize Act of 1982, which replaced the Monetary Authority of Belize and Banking Ordinances of 1976. The 1982 Act specifies the Central Bank's responsibilities regarding foreign cover for its demand liabilities, its financial relationship with the Government, and its relations with financial institutions.

#### 1. Foreign assets to cover demand liabilities

The Central Bank is obliged to hold external assets equal to at least 40 percent of its currency in circulation and deposit liabilities. The external assets that fulfill the requirement are gold, foreign exchange, securities (of, or guaranteed by, foreign governments or international institutions), the reserve position in the IMF, and holdings of SDRs in the IMF. The 40 percent external asset requirement may be changed by up to 5 percent if there is a resolution by Parliament to this effect.

#### 2. Relations with Government

##### a. Purchase of government securities

The 1982 Act gives the Central Bank discretion to buy or sell Treasury Bills of the Government, as well as securities with a maturity no greater than 10 years issued or guaranteed by the Government. However, the Act limits the amount of such securities in the Central Bank's portfolio to no greater than five times the Central Bank's aggregate paid up capital and reserves.

##### b. Loans and advances to Government

On November 6, 1993, the Central Bank Act was amended to allow the Central Bank to increase its loans and advances to the Government. The Amended Act limits the total amount outstanding of direct advances to the Government to no more than 20% of the current revenues collected by Government in the preceding fiscal year, or Bz\$50 million, whichever is larger. In addition, advances outstanding at the end of the fiscal year must be repaid within the first three months of the following fiscal year.

#### 3. Relations with financial institutions

The Central Bank is required to set minimum liquidity requirements for commercial banks, can extend credit to financial institutions, and has the option to set minimum and maximum lending and deposit rates as well as to establish credit controls.

a. Minimum liquidity requirements and ratios

The minimum liquidity requirement is the most actively used monetary policy instrument in Belize. <sup>1/</sup> Two minimum liquidity ratios are required. First, commercial banks must hold non-interest bearing deposits at the Central Bank (called the cash reserve ratio) by an amount equivalent to at least 5 percent of demand deposits and 3 percent of other deposits. This ratio can be changed by the Central Bank provided that it is done with thirty days prior notice; that any increase does not exceed two percentage points; and that the ratio does not exceed 20 percent. As of December 1995, a uniform cash reserve ratio of 7 percent is applied to all types of deposits.

The second ratio refers to approved liquid assets. Banks must maintain approved liquid assets by an amount equivalent to at least 15 percent of demand deposits and 10 percent of other deposits. These ratios can be changed by the Central Bank provided that it is done with a thirty day prior notice; that each increase does not exceed 5 percentage points; and that the ratio does not exceed 35 percent. Approved liquid assets include the balances held at the Central Bank; notes and coins that are legal tender; net balances and deposits denominated in Belize dollars held with other financial institutions in Belize that mature in 90 days or less; net foreign balances and foreign money at call maturing in 90 days or less; foreign notes and coins; domestic and foreign government securities maturing in 180 days or less; and domestic bills of exchange maturing in 180 days or less.

With the approval of the Minister of Finance, the Central Bank may declare other liquid assets to be approved liquid assets. Examples of such declarations include the outstanding balance of bank loans to the Banana Control Board and Treasury notes bearing a maturity structure of one to five years, which are purchased by commercial banks using foreign exchange. As of December 1, 1995, the liquid asset ratio was equivalent to 26 percent of all deposit liabilities.

b. Credit to financial institutions

The Central Bank can engage in rediscount operations with commercial banks--including those of lender of last resort--and grant loans and advances to banks against collateral for periods of up to six months. Bills of exchange used in rediscounting operations are restricted to those issued to finance exports and imports, storage of nonperishable products, trade in goods and products within Belize, and agricultural and industrial production. Any of these bills or negotiable securities of the Government may be used by banks as collateral against loans and advances from the Central Bank at an interest rate of 11 percent. Thus far, however, banks have rarely borrowed from the Central Bank.

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<sup>1/</sup> At present, only commercial banks are subject to minimum liquidity requirements.

c. Interest rates and credit controls

The 1982 Act empowers the Central Bank to set maximum and minimum interest rates on deposits and bank loans. However, since January 1995, the Central Bank has liberalized all interest rates in Belize except for the interest rate on passbook savings. The Act also empowers the Central Bank to prescribe the purposes for which bank loans and other credits may or may not be granted. In addition, the Central Bank can determine the maximum maturities of the loans, and specify the type and maximum amount of security required as collateral for loans. However, such credit controls have not been used in recent years.

d. Miscellaneous

The Act does not specifically authorize the Central Bank to transfer the deposits of the public sector to and from commercial banks as a means to affect liquidity in the system. However, the Ministry of Finance may instruct the Central Bank to carry out such a policy. On several occasions, the Government and Central Bank have used such deposit transfers as an instrument of monetary policy.

Table 16. Belize: Sectoral Origin of Real Gross Domestic Product

	1990	1991	1992	1993	Prel. 1994	Est. 1995
(In millions of Belize Dollars at constant 1984 prices)						
<b>GDP at constant market prices</b>	<b>680.1</b>	<b>700.3</b>	<b>765.3</b>	<b>791.5</b>	<b>804.5</b>	<b>835.2</b>
<b>Primary activities</b>	<b>110.4</b>	<b>116.1</b>	<b>132.7</b>	<b>131.8</b>	<b>138.6</b>	<b>147.4</b>
Agriculture	79.8	78.3	89.7	89.1	91.5	98.5
Forestry	12.9	17.0	19.1	18.1	20.5	17.7
Fishing	13.9	15.5	18.8	19.2	21.6	25.9
Mining	3.8	5.3	5.1	5.4	4.9	5.3
<b>Secondary activities</b>	<b>147.8</b>	<b>151.8</b>	<b>172.7</b>	<b>184.2</b>	<b>178.7</b>	<b>184.8</b>
Manufacturing	97.1	96.2	109.1	111.5	116.8	121.9
Electricity and water supply	10.1	11.9	13.6	15.0	16.0	16.5
Construction	40.6	43.8	50.0	57.7	45.8	46.3
<b>Services</b>	<b>332.5</b>	<b>342.8</b>	<b>370.6</b>	<b>382.9</b>	<b>392.2</b>	<b>404.3</b>
Trade and tourism	109.6	107.8	114.4	118.8	120.6	125.2
Transport and communication	71.7	79.9	94.9	98.2	99.4	102.4
Finance and insurance	28.5	28.1	30.9	31.8	33.2	34.4
Real estate	29.0	30.0	31.8	33.0	34.4	36.1
Public administration	50.9	53.1	53.6	54.9	57.1	57.5
Other services	42.7	43.9	45.0	46.2	47.5	48.8
Adjustments 1/	89.4	89.7	89.3	92.7	95.1	98.7
<b>GDP at constant factor cost</b>	<b>570.4</b>	<b>590.6</b>	<b>654.1</b>	<b>676.3</b>	<b>686.6</b>	<b>712.8</b>
<b>Per capita GDP (Belize dollars)</b>	<b>3,690</b>	<b>3,698</b>	<b>3,842</b>	<b>3,812</b>	<b>3,784</b>	<b>3,836</b>
(Annual percentage change)						
<b>GDP at constant market prices</b>	<b>10.2</b>	<b>3.0</b>	<b>9.3</b>	<b>3.4</b>	<b>1.6</b>	<b>3.8</b>
<b>Primary activities</b>	<b>13.3</b>	<b>5.2</b>	<b>14.3</b>	<b>-0.7</b>	<b>5.2</b>	<b>6.4</b>
Agriculture	16.6	-1.8	14.5	-0.7	2.7	7.7
Forestry	0.5	31.9	12.6	-5.1	13.4	-13.6
Fishing	4.6	11.0	21.3	2.1	12.7	19.7
Mining	34.2	40.9	-2.7	5.0	-9.1	7.5
<b>Secondary activities</b>	<b>9.4</b>	<b>2.7</b>	<b>13.7</b>	<b>6.7</b>	<b>-3.0</b>	<b>3.4</b>
Manufacturing	8.9	-0.9	13.4	2.2	4.8	4.4
Electricity and water supply	12.0	17.2	14.3	10.6	6.4	3.2
Construction	10.1	7.7	14.2	15.3	-20.5	1.1
<b>Services</b>	<b>9.4</b>	<b>3.1</b>	<b>8.1</b>	<b>3.3</b>	<b>2.4</b>	<b>3.1</b>
Trade and tourism	13.3	-1.7	6.2	3.8	1.5	3.8
Transport and communication	12.0	11.4	18.8	3.5	1.3	3.0
Finance	7.5	-1.2	9.7	3.2	4.1	3.8
Real estate	6.6	3.5	5.9	3.7	4.4	4.7
Public administration	6.4	4.3	1.0	2.4	4.0	0.7
Other services	2.8	2.8	2.4	2.6	2.9	2.6
Adjustments 1/	10.9	0.3	-0.4	3.7	2.6	3.8
<b>GDP at constant factor cost</b>	<b>10.2</b>	<b>3.6</b>	<b>10.7</b>	<b>3.4</b>	<b>1.5</b>	<b>3.8</b>
<b>Per capita GDP</b>	<b>9.6</b>	<b>0.2</b>	<b>3.9</b>	<b>-0.8</b>	<b>-0.7</b>	<b>1.4</b>
(Percentage distribution) 2/						
<b>Primary activities</b>	<b>19.3</b>	<b>19.7</b>	<b>20.3</b>	<b>19.5</b>	<b>20.2</b>	<b>20.7</b>
Agriculture	14.0	13.3	13.7	13.2	13.3	13.8
Forestry	2.3	2.9	2.9	2.7	3.0	2.5
Fishing	2.4	2.6	2.9	2.8	3.1	3.6
Mining	0.7	0.9	0.8	0.8	0.7	0.7
<b>Secondary activities</b>	<b>25.9</b>	<b>25.7</b>	<b>26.4</b>	<b>27.2</b>	<b>26.0</b>	<b>25.9</b>
Manufacturing	17.0	16.3	16.7	16.5	17.0	17.1
Electricity and water supply	1.8	2.0	2.1	2.2	2.3	2.3
Construction	7.1	7.4	7.6	8.5	6.7	6.5
<b>Services</b>	<b>58.3</b>	<b>58.0</b>	<b>56.7</b>	<b>56.6</b>	<b>57.1</b>	<b>56.7</b>
Trade and tourism	19.2	18.2	17.5	17.6	17.6	17.6
Transport and communication	12.6	13.5	14.5	14.5	14.5	14.4
Finance	5.0	4.8	4.7	4.7	4.8	4.8
Real estate	5.1	5.1	4.9	4.9	5.0	5.1
Public administration	8.9	9.0	8.2	8.1	8.3	8.1
Other services	7.5	7.4	6.9	6.8	6.9	6.8
Banking charges (-)	-3.6	-3.4	-3.4	-3.3	-3.3	-3.3
<b>GDP at constant factor cost</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sources: Central Statistical Office, and Fund staff estimates.

1/ Comprises imputed bank service charges and net indirect taxes.

2/ At constant factor cost.

Table 17. Belize: National Accounts at Current Prices 1/

	1990	1991	1992	193	Prel. 1994	Est. 1995
<u>(In millions of Belize dollars)</u>						
<u>Gross domestic expenditure</u>	<u>864.9</u>	<u>954.3</u>	<u>1051.0</u>	<u>1166.4</u>	<u>1159.5</u>	<u>1237.4</u>
Consumption	640.3	698.2	761.8	829.3	890.9	962.9
Private sector	533.5	582.5	622.7	668.7	716.0	785.1
Public sector	106.8	115.7	139.2	160.7	174.9	177.9
Gross domestic investment	224.6	256.2	289.2	337.1	268.6	274.5
Fixed capital formation	206.3	245.9	283.5	314.4	265.1	281.9
Private sector	92.1	70.1	96.6	157.7	134.9	151.8
Public sector	114.2	175.8	186.9	156.7	130.3	130.1
Of which: NFPE	28.8	35.3	20.0	14.1	13.0	23.9
Change in inventories	18.3	10.3	5.7	22.7	3.5	-7.4
<u>Balance of goods and nonfactor services</u>	<u>-59.0</u>	<u>-94.1</u>	<u>-84.7</u>	<u>-113.2</u>	<u>-59.8</u>	<u>-53.5</u>
Exports	500.8	482.7	566.8	572.0	573.5	588.9
Imports	559.8	576.8	651.5	685.2	633.3	642.4
<u>GDP at market prices</u>	<u>805.9</u>	<u>860.2</u>	<u>966.3</u>	<u>1053.2</u>	<u>1099.7</u>	<u>1183.9</u>
Net factor income payments abroad	-13.5	-21.6	-33.6	-39.6	-43.7	-42.6
<u>GNP at market prices</u>	<u>792.4</u>	<u>838.6</u>	<u>932.7</u>	<u>1013.6</u>	<u>1056.0</u>	<u>1141.3</u>
Net indirect taxes	-130.0	-134.8	-140.5	-153.4	-162.9	-174.8
<u>GNP at factor cost</u>	<u>662.4</u>	<u>703.8</u>	<u>792.2</u>	<u>860.2</u>	<u>893.1</u>	<u>966.6</u>
Consumption of fixed capital	-49.6	-55.0	-59.4	-71.4	-74.2	-80.3
<u>National income</u>	<u>612.7</u>	<u>648.9</u>	<u>732.8</u>	<u>788.7</u>	<u>818.9</u>	<u>886.3</u>
<u>(In percent of GDP at market prices)</u>						
<u>Gross domestic expenditure</u>	<u>107.3</u>	<u>110.9</u>	<u>108.8</u>	<u>110.7</u>	<u>105.4</u>	<u>104.5</u>
Consumption	79.5	81.2	78.8	78.7	81.0	81.3
Private sector	66.2	67.7	64.4	63.5	65.1	66.3
Public sector	13.3	13.4	14.4	15.3	15.9	15.0
Gross Domestic Investment	27.9	29.8	29.9	32.0	24.4	23.2
Fixed capital formation	25.6	28.6	29.3	29.8	24.1	23.8
Private sector	11.4	8.1	10.0	15.0	12.3	12.8
Public sector	14.2	20.4	19.3	14.9	11.8	11.0
Of which: NFPE	3.6	4.1	2.1	1.3	1.2	2.0
Change in inventories	2.3	1.2	0.6	2.2	0.3	-0.6
<u>Balance of goods and nonfactor services</u>	<u>-7.3</u>	<u>-10.9</u>	<u>-8.8</u>	<u>-10.7</u>	<u>-5.4</u>	<u>-4.5</u>
Exports	62.1	56.1	58.7	54.3	52.1	49.7
Imports	69.5	67.1	67.4	65.1	57.6	54.3
<u>GDP at market prices</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Net factor income payments abroad	-1.7	-2.5	-3.5	-3.8	-4.0	-3.6
<u>GNP at market prices</u>	<u>98.3</u>	<u>97.5</u>	<u>96.5</u>	<u>96.2</u>	<u>96.0</u>	<u>96.4</u>
Net indirect tax	-16.1	-15.7	-14.5	-14.6	-14.8	-14.8
<u>GNP at factor cost</u>	<u>82.2</u>	<u>81.8</u>	<u>82.0</u>	<u>81.7</u>	<u>81.2</u>	<u>81.6</u>
Consumption of fixed capital	-6.2	-6.4	-6.1	-6.8	-6.7	-6.8
<u>National income</u>	<u>76.0</u>	<u>75.4</u>	<u>75.8</u>	<u>74.9</u>	<u>74.5</u>	<u>74.9</u>
<u>Ratio of private consumption to national income</u>	<u>87.1</u>	<u>89.8</u>	<u>85.0</u>	<u>84.8</u>	<u>87.4</u>	<u>88.6</u>

Sources: Central Statistical Office; and Fund staff estimates.

1/ National income not corrected for terms of trade effect.

Table 18. Belize: Savings and Investment

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b>(In million of Belize dollars at current prices)</b>						
<b>Gross domestic investment</b>	<b>224.6</b>	<b>256.2</b>	<b>289.2</b>	<b>337.1</b>	<b>268.6</b>	<b>274.5</b>
Fixed capital formation	206.3	245.9	283.5	314.4	265.1	281.9
Private sector	92.1	70.1	96.6	157.7	134.9	151.8
Public sector	114.2	175.8	186.9	156.7	130.3	130.1
Of which: NFPE	28.8	35.3	20.0	14.1	13.0	23.9
Change in inventories	18.3	10.3	5.7	22.7	3.5	-7.4
<b>Gross national savings</b>	<b>211.5</b>	<b>196.6</b>	<b>231.5</b>	<b>243.6</b>	<b>223.6</b>	<b>247.4</b>
Private sector	120.4	94.6	139.1	174.1	171.0	192.1
Public sector	91.2	102.0	92.4	69.5	52.7	55.4
Of which: NFPE	12.5	24.1	18.9	19.2	17.4	18.4
<b>Foreign savings <sup>1/</sup></b>	<b>13.1</b>	<b>59.6</b>	<b>57.7</b>	<b>93.5</b>	<b>45.0</b>	<b>27.1</b>
<b>(In percent of GDP at market prices)</b>						
<b>Gross domestic investment</b>	<b>27.9</b>	<b>29.8</b>	<b>29.9</b>	<b>32.0</b>	<b>24.4</b>	<b>23.2</b>
Fixed capital formation	25.6	28.6	29.3	29.8	24.1	23.8
Private sector	11.4	8.1	10.0	15.0	12.3	12.8
Public sector	14.2	20.4	19.3	14.9	11.8	11.0
Of which: NFPE	3.6	4.1	2.1	1.3	1.2	2.0
Change in inventories	2.3	1.2	0.6	2.2	0.3	-0.6
<b>Gross national savings</b>	<b>26.2</b>	<b>22.9</b>	<b>24.0</b>	<b>23.1</b>	<b>20.3</b>	<b>20.9</b>
Private sector	14.9	11.0	14.4	16.5	15.5	16.2
Public sector	11.3	11.9	9.6	6.6	4.8	4.7
Of which: NFPE	1.6	2.8	2.0	1.8	1.6	1.6
<b>Foreign savings</b>	<b>1.6</b>	<b>6.9</b>	<b>6.0</b>	<b>8.9</b>	<b>4.1</b>	<b>2.3</b>
<b>Savings – investments</b>	<b>-1.6</b>	<b>-6.9</b>	<b>-6.0</b>	<b>-8.9</b>	<b>-4.1</b>	<b>-2.3</b>
Private sector	1.2	1.7	3.8	-0.6	3.0	4.0
Public sector	-2.9	-8.6	-9.8	-8.3	-7.1	-6.3

Sources: Central Statistical Office; and Fund staff estimates.

<sup>1/</sup> Deficit or surplus (-) in the current account of the balance of payments.

Table 19. Belize: Cane Deliveries to the Sugar Factories, Cane Prices, Sugar and Molasses Production <sup>1/</sup>

(In long tons; unless otherwise specified)

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b>Cane deliveries</b>	<u>968,458</u>	<u>964,505</u>	<u>978,318</u>	<u>962,516</u>	<u>1,026,719</u>	<u>891,761</u>
By Corozal district	482,881	480,953	492,759	484,800	517,138	...
By Orange Walk district	482,922	481,372	483,237	475,416	507,128	...
By research farmers	2,655	2,180	2,322	2,300	2,453	...
<b>Sugarcane prices paid to farmers</b> (in Belize dollars per ton)	<u>55.00</u>	<u>57.19</u>	<u>50.61</u>	<u>53.24</u>	<u>51.96</u>	<u>55.00</u>
Sugar production	100,297	101,914	100,528	100,231	105,397	105,344
Molasses production	29,406	31,660	29,921	28,293	31,949	35,216
<b>Memorandum items:</b>						
Sugarcane per acre	18.2	18.6	18.4	17.6	18.4	...
Tons cane/tons sugar	10.7	10.9	11.0	11.4	11.4	9.7

Sources: Belize Sugar Industry Limited; and Fund staff estimates

<sup>1/</sup> Figures relate to crop year (December–November).

Table 20. Belize: Agricultural Production

	1990	1991	1992	1993	1994	Prei. 1995
<u>(In units as indicated)</u>						
Sugarcane (long tons) <sup>1/</sup>	1,072	1,114	1,104	1,141	1,199	1,025
Oranges ('000 90-lb boxes)	1,696	1,203	2,407	1,793	2,020	3,100
Grapefruit ('000 80-lb boxes)	1,103	792	1,192	1,015	833	1,200
Corn (million lbs.)	41	70	56	60	51	52
Rice paddy (million lbs.)	10	11	15	21	14	22
Cocoa (thousand lbs.)	368	201	316	159	161	...
Red kidney beans ('000 lbs.)	5,660	7,833	5,518	7,988	7,071	6,900
Honey ('000 lbs.)	159	137	136	122	158	216
Pork (fresh) ('000 lbs.) <sup>2/</sup>	1,430	1,012	1,256	1,273	1,702	1,700
Beef (fresh) ('000 lbs.) <sup>2/</sup>	3,222	3,119	3,341	3,007	3,184	3,000
Poultry ('000 lbs.)	13,489	14,384	17,227	16,743	17,013	15,500
Timber ('000 bd. ft.)	16,405	20,493	22,543	22,144	30,448	22,200
Bananas ('000 42-lb boxes) <sup>3/</sup>	1,723	1,157	1,545	2,140	2,520	2,341
Milk ('000 lbs.)	2,735	2,851	2,504	2,868	3,019	3,100
Eggs ('000 doz.)	2,087	2,144	2,231	2,298	2,370	2,400
<u>(Annual percentage change)</u>						
Sugarcane <sup>1/</sup>	15.9	3.9	-0.9	3.4	5.1	-14.5
Oranges	17.1	-29.1	100.1	-25.5	12.7	53.5
Grapefruit	24.1	-28.2	50.5	-14.8	-17.9	44.1
Corn	-19.5	70.5	-19.9	6.6	-14.4	0.8
Rice paddy	-8.5	3.9	38.7	46.7	-33.4	50.3
Cocoa	99.3	-45.3	56.8	-49.7	1.7	...
Red kidney beans	-39.0	38.4	-29.6	44.8	-11.5	-2.4
Honey	-22.8	-13.8	-0.7	-10.3	29.5	36.7
Pork <sup>2/</sup>	86.0	-29.2	24.1	1.4	33.7	-0.1
Beef <sup>2/</sup>	52.8	-3.2	7.1	-10.0	5.9	-5.8
Poultry	81.1	6.6	19.8	-2.8	1.6	-8.9
Timber ('000 bd. ft.)	9.1	24.9	10.0	-1.8	37.5	-27.1
Bananas <sup>3/</sup>	11.1	-32.8	33.5	38.5	17.7	-7.1
Milk	15.3	4.2	-12.2	14.5	5.3	2.7
Eggs	1.2	2.7	4.1	3.0	3.1	1.3

Source: Central Statistical Office.

<sup>1/</sup> Production data on a crop year basis (December–November).

<sup>2/</sup> In slaughter houses only.

<sup>3/</sup> For export only.



Table 21. Belize: Production and Exports of Marine Fish Products  
(In thousands of pounds)

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b>Lobsters</b>						
Export volume	424.5	536.1	523.3	429.0	573.8	799.6
Local sales	34.0	37.0	37.0	42.0	60.6	...
Total production	458.5	573.1	560.3	471.0	634.4	...
<b>Conch</b>						
Export volume	364.6	343.2	432.2	424.0	327.8	366.4
Local sales	30.0	40.0	30.2	40.0	88.1	...
Total production	394.6	383.2	462.4	464.0	415.9	...
<b>Shrimp</b>						
Export volume	435.9	463.1	905.4	1,167.2	1,338.0	1,335.4
Local sales	55.0	114.4	284.1	232.8	271.1	...
Total production	490.9	577.5	1,189.5	1,400.0	1,609.1	...
<b>Fin fish and fillet</b>						
Export volume	402.5	410.7	390.1	150.2	84.5	150.4
Local sales	358.6	358.2	223.0	270.2	175.3	...
Total production	761.1	768.9	613.1	420.4	259.8	...
<b>Others</b>						
Export volume	24.0	0.6	0.6	2.2	1.0	9.8
Local sales	9.4	6.3	7.2	6.8	10.6	...
Total production	33.4	6.9	7.8	8.9	11.6	...
<b>Total</b>						
Export volume	1,651.5	1,753.7	2,251.6	2,172.6	2,325.1	2,546.6
Local sales	487.0	555.9	581.5	591.8	605.7	...
Total production	2,138.5	2,309.6	2,833.1	2,764.4	2,930.8	...

Sources: Department of Fisheries; and Ministry of Agriculture.

Table 22. Belize: Industrial Production

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<u>(In units indicated)</u>						
Sugar (long tons) <u>1/</u>	100,297.0	101,914.0	100,528.0	100,231.0	105,397.0	105,344.0
Molasses (long tons) <u>2/</u>	29,406.0	31,660.0	29,921.0	28,830.0	31,949.0	35,216.0
Flour ('000 lbs.)	23,096.0	24,608.0	25,873.0	27,072.0	26,572.0	25,400.0
Fertilizer (short tons)	11,005.0	11,414.0	14,082.0	17,879.0	27,436.0	26,606.0
Cigarettes (millions)	101.3	104.0	104.0	105.0	107.0	94.0
Beer ('000 gals.)	833.0	940.0	1,009.0	1,504.0	1,232.0	1,088.0
Soft drinks ('000 cases)	993.0	1,099.0	1,112.0	1,261.0	1,525.0	1,724.0
Batteries (units)	11,078.0	11,147.0	11,216.0	9,930.0	9,558.0	11,097.0
Nails ('000 lbs.)	1.0	1.0	--	--	--	--
Roofing ('000 lbs.)	87.0	64.0	47.0	34.5	25.0	19.0
Garments ('000 units)	3,596.0	3,902.0	4,073.0	4,276.0	3,302.0	1,974.0
Citrus concentrates ('000 gals)	1,956.0	1,192.0	2,911.0	2,085.0	2,249.0	3,335.0
<u>(Annual percentage change)</u>						
Sugar <u>1/</u>	10.3	1.6	-1.4	-0.3	5.2	-0.1
Molasses <u>2/</u>	3.4	7.7	-5.5	-3.6	10.8	10.2
Flour	7.4	6.5	5.1	4.6	-1.8	-4.4
Fertilizer	10.0	3.7	23.4	27.0	53.5	-3.0
Cigarettes	4.3	2.7	--	1.0	1.9	-12.1
Beer	18.3	12.8	7.3	49.1	-18.1	-11.7
Soft drinks	12.7	10.7	1.2	13.4	20.9	13.0
Batteries	6.7	0.6	0.6	-11.5	-3.7	16.1
Nails	-97.3	--	--	--	--	--
Roofing	-26.3	-26.4	-26.6	-26.6	-27.5	-24.0
Garments	3.0	8.5	4.4	5.0	-22.8	-40.2
Citrus concentrates	4.0	-39.1	144.2	-28.4	7.9	48.3

Source: Central Statistical Office.

1/ Production data are on a crop year basis.

2/ Data refers to Tower Hill factory.

Table 23. Belize: Visitor Arrivals 1/

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b>Total arrivals</b>	<u>214,124</u>	<u>212,978</u> 2/	<u>271,581</u>	<u>315,562</u>	<u>340,837</u>	<u>349,488</u>
Of which: Tourists	66,851	64,562	84,541	94,825	98,635	104,553
<b>Origin</b>						
United States	82,272	76,256	82,139	91,199	93,809	99,375
Continental Europe	11,639	15,361	21,579	24,296	29,310	31,643
Canada	7,595	7,777	8,907	10,760	11,796	13,654
United Kingdom	11,480	11,983	13,139	13,035	11,389	10,241
Central America	92,494	93,006	139,196	168,636	189,871	184,334
Other	8,644	8,595	6,621	7,636	4,662	10,241
<b>Arrivals</b>						
By air	75,810	59,461	84,469	92,937	85,012	90,512
By land	129,179	146,838	181,871	215,724	246,352	246,225
By sea	9,135	6,679	5,241	6,901	9,473	12,751
<b>Tourism receipts (US\$ million)</b>	<u>44.5</u>	<u>44.8</u> 3/	<u>59.7</u>	<u>67.3</u>	<u>71.4</u>	<u>77.6</u>
	<b>(Annual percentage change)</b>					
<b>Total arrivals</b>	<u>11.8</u>	<u>-0.5</u>	<u>27.5</u>	<u>16.2</u>	<u>8.0</u>	<u>2.5</u>
Of which: Tourists	-6.4	-3.4	30.9	12.2	4.0	6.0
<b>Tourism receipts</b>	<u>-1.3</u>	<u>0.7</u>	<u>33.3</u>	<u>12.7</u>	<u>6.1</u>	<u>8.7</u>

Sources: Belize Tourist Board, Immigration Department, and Fund staff estimates.

1/ Includes migrant labor, returning Belizeans, and tourists.

2/ Data after and before 1991 are not strictly comparable because of a change in classification.

3/ Data before and after 1991 are not comparable due to a change in method of calculation.

Table 24. Belize: Consumer Price Index <sup>1/</sup>

Weights	1990	1991	1992	1993	1994	1995	
<u>(Index Numbers: November 1990=100)</u>							
<u>End of period 2/</u>	100.0	100.0	103.1	105.2	107.6	109.6	113.9
Food, beverages, and tobacco	34.7	100.0	104.4	107.4	109.2	110.0	114.4
Clothing and footwear	9.2	100.0	103.2	105.9	106.5	104.1	104.9
Household goods and maintenance	8.5	100.0	102.5	105.8	109.2	111.7	111.1
Rent, water, fuel, and power	16.7	100.0	100.7	101.2	102.5	109.8	118.2
Medical care	1.9	100.0	104.5	108.1	109.9	111.6	121.8
Transportation and communication	17.2	100.0	103.4	104.6	104.8	106.8	109.7
Recreation, education, and culture	8.0	100.0	101.9	102.0	112.8	114.3	119.4
Personal care	3.8	100.0	104.8	107.6	112.6	112.3	117.6
<u>Average</u>	<u>99.1</u>	<u>102.3</u>	<u>104.7</u>	<u>106.2</u>	<u>108.8</u>	<u>112.0</u>	
Food, beverages, and tobacco	99.0	103.6	106.7	108.3	109.5	112.5	
Clothing and footwear	98.7	102.0	106.1	105.6	105.1	104.8	
Household goods and maintenance	99.4	101.9	104.8	108.6	110.5	111.1	
Rent, water, fuel, and power	99.8	100.5	100.7	102.0	108.0	115.0	
Medical care	98.1	102.7	107.1	110.3	111.1	119.6	
Transportation and communication	98.6	101.9	104.1	104.7	106.3	108.2	
Recreation, education, and culture	99.1	101.1	102.2	104.4	113.4	116.8	
Personal care	98.4	103.4	107.1	108.9	112.5	116.2	
<u>(Annual percentage change)</u>							
<u>End of Period 2/</u>	<u>4.0</u>	<u>3.1</u>	<u>2.0</u>	<u>2.3</u>	<u>1.8</u>	<u>3.9</u>	
Food, beverages, and tobacco	1.9	4.4	2.9	1.7	0.7	4.0	
Clothing and footwear	1.8	3.2	2.5	0.6	-2.3	0.8	
Household goods and maintenance	7.0	2.4	3.3	3.2	2.3	-0.5	
Rent, water, fuel, and power	...	0.7	0.5	1.4	7.1	7.6	
Medical care	...	4.5	3.4	1.7	1.5	9.1	
Transportation and communication	6.3	3.3	1.2	0.2	1.9	2.7	
Recreation, education, and culture	...	1.9	0.1	10.5	1.3	4.5	
Personal care	...	4.8	2.7	4.6	-0.3	4.8	
<u>Average</u>	<u>3.0</u>	<u>3.2</u>	<u>2.4</u>	<u>1.4</u>	<u>2.5</u>	<u>2.9</u>	
Food, beverages, and tobacco	2.1	4.6	3.0	1.6	1.1	2.7	
Clothing and footwear	3.3	3.3	4.0	1.3	-0.5	-0.3	
Household goods and maintenance	2.9	2.5	2.8	3.6	1.8	0.5	
Rent, water, fuel, and power	...	0.7	0.2	2.9	5.8	6.5	
Medical care	...	4.7	4.3	3.0	0.7	7.7	
Transportation and communication	5.5	3.4	2.1	0.5	1.6	1.8	
Recreation, education, and culture	...	1.9	1.1	2.1	8.7	2.9	
Personal care	...	5.0	2.1	0.5	3.3	3.3	

Source: Central Statistical Office; and Fund staff estimates.

<sup>1/</sup> Based on a household expenditure survey conducted in November 1990. Since 1985 the index has been computed four times a year (February, May, August, and November).

<sup>2/</sup> November of each year.

Table 25. Belize: Price Structure of Petroleum Products  
(Belize dollars per U.S. gallon)

	December 1993				December 1994				December 1995			
	Premium	Regular	Kerosene	Diesel	Premium	Regular	Kerosene	Diesel	Premium	Regular	Kerosene	Diesel
<u>Retail price</u>	<u>4.53</u>	<u>4.42</u>	<u>2.49</u>	<u>3.04</u>	<u>4.73</u>	<u>4.57</u>	<u>2.54</u>	<u>3.11</u>	<u>4.98</u>	<u>4.88</u>	<u>2.75</u>	<u>3.40</u>
<u>Total landed cost</u>	<u>1.13</u>	<u>1.07</u>	<u>1.39</u>	<u>1.30</u>	<u>1.22</u>	<u>1.20</u>	<u>1.37</u>	<u>1.32</u>	<u>1.42</u>	<u>1.28</u>	<u>1.46</u>	<u>1.41</u>
Acquisition cost	0.98	0.92	1.24	1.15	1.09	1.07	1.23	1.18	1.29	1.15	1.33	1.28
Handling charges	0.13	0.13	0.13	0.13	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Remittance charge	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
<u>Government charges</u>	<u>2.68</u>	<u>2.68</u>	<u>0.50</u>	<u>1.14</u>	<u>2.73</u>	<u>2.65</u>	<u>0.53</u>	<u>1.16</u>	<u>2.81</u>	<u>2.90</u>	<u>0.67</u>	<u>1.37</u>
Stamp duty	0.14	0.13	0.00	0.16	0.15	0.15	0.00	0.16	0.18	0.16	0.00	0.18
Import duty	0.45	0.45	0.00	0.27	0.45	0.45	0.00	0.27	0.45	0.45	0.00	0.27
Revenue replacement value	2.05	2.06	0.46	0.67	2.12	2.04	0.51	0.71	2.14	2.26	0.63	0.89
Other 1/	0.04	0.04	0.04	0.04	0.02	0.02	0.02	0.02	0.03	0.03	0.04	0.04
<u>Commercial charges</u>	<u>0.72</u>	<u>0.67</u>	<u>0.60</u>	<u>0.60</u>	<u>0.77</u>	<u>0.72</u>	<u>0.64</u>	<u>0.64</u>	<u>0.75</u>	<u>0.70</u>	<u>0.62</u>	<u>0.62</u>
Delivery cost to service station	0.04	0.04	0.04	0.04	0.06	0.06	0.06	0.06	0.07	0.07	0.06	0.06
Gross margin—company	0.33	0.32	0.23	0.28	0.37	0.35	0.26	0.30	0.33	0.32	0.23	0.28
Gross margin—dealer	0.35	0.31	0.33	0.28	0.35	0.31	0.33	0.28	0.35	0.31	0.33	0.28

Source: Esso Standard Oil Co. Ltd (Belize).

1/ Tonnage dues and foreign exchange tax.

Table 26. Belize: Consolidated Operations of the Nonfinancial Public Sector

(In millions of Belize dollars)

	1990/91	1991/92	1992/93	1993/94	Preli. 1994/95	Est. 1995/96
<b>I. Consolidated Nonfinancial Public Sector</b>						
<b>Total revenue and grants</b>	<b>264.8</b>	<b>322.6</b>	<b>330.0</b>	<b>312.9</b>	<b>323.0</b>	<b>329.7</b>
Revenue	251.8	299.4	309.4	305.9	309.6	321.0
Current revenue	241.0	266.7	289.4	297.8	305.4	316.2
Central Government	211.7	218.2	248.3	249.9	263.0	269.2
Social Security Board	17.0	20.5	25.3	27.6	26.0	27.9
Public enterprise current surplus	12.3	28.0	15.8	20.3	16.4	19.1
Capital revenue	10.8	32.7	20.0	8.1	4.2	4.8
Grants	13.0	33.2	20.6	7.1	13.4	8.7
<b>Total expenditure</b>	<b>262.4</b>	<b>262.2</b>	<b>405.0</b>	<b>382.2</b>	<b>389.7</b>	<b>390.8</b>
Current expenditure	144.6	162.9	280.8	234.6	236.2	258.8
General government	144.6	162.9	200.8	234.6	236.2	258.8
Central Government	139.2	155.1	189.2	219.2	239.9	243.0
Social Security Board	5.4	7.8	11.6	15.4	16.3	15.8
Public enterprises	--	--	--	--	--	--
Capital expenditure	124.8	206.3	204.2	147.5	124.5	132.0
General government	93.8	169.6	189.8	133.5	111.9	104.4
Central Government	86.5	155.5	167.9	113.5	104.2	101.9
Social Security Board	7.3	14.1	21.9	20.0	7.7	2.5
Public enterprises	31.0	36.7	14.4	14.0	12.6	27.6
<b>Current balance (deficit -)</b>	<b>26.4</b>	<b>169.8</b>	<b>88.6</b>	<b>63.1</b>	<b>49.2</b>	<b>57.4</b>
<b>Overall balance (deficit -)</b>	<b>-4.6</b>	<b>-36.6</b>	<b>-75.1</b>	<b>-69.2</b>	<b>-57.7</b>	<b>-61.1</b>
Before severance payments	-4.6	-36.6	-75.1	-69.2	-57.7	-54.1
<b>Financing</b>	<b>4.6</b>	<b>26.6</b>	<b>75.1</b>	<b>62.2</b>	<b>-57.7</b>	<b>61.1</b>
External	12.0	26.6	40.7	24.4	11.6	23.5
Domestic	-7.4	10.0	34.4	44.8	46.1	37.6
Banking system	-18.6	25.5	31.5	62.5	35.7	37.6
Central Bank	-28.6	11.3	47.5	27.6	13.7	27.9
Commercial banks	2.0	14.2	-16.0	34.9	22.0	9.7
Other	11.2	-15.5	2.9	-17.7	10.4	--
<b>II. General Government</b>						
<b>Revenue and grants</b>	<b>232.5</b>	<b>284.3</b>	<b>328.4</b>	<b>292.5</b>	<b>286.3</b>	<b>311.3</b>
Revenue	239.5	271.4	308.4	305.6	293.2	302.9
Central Government	222.5	250.9	283.1	238.0	267.2	275.0
Social Security Board	17.0	20.5	25.3	27.6	26.0	27.9
Grants	13.0	33.1	20.0	7.0	13.3	8.6
<b>Total expenditure</b>	<b>243.4</b>	<b>342.0</b>	<b>397.9</b>	<b>370.7</b>	<b>371.2</b>	<b>367.1</b>
Current expenditure	144.6	162.9	280.8	234.6	236.2	258.8
Development expenditure and net lending	98.8	179.1	197.1	136.0	115.1	108.3
<b>Overall deficit (-)</b>	<b>9.1</b>	<b>-37.5</b>	<b>-69.6</b>	<b>-78.1</b>	<b>-64.7</b>	<b>-55.6</b>
Before severance payments	9.1	-37.5	-69.6	-78.1	-64.7	-48.6

Table 26. Belize: Consolidated Operations of the Nonfinancial Public Sector (Continued)

	1990/91	1991/92	1992/93	1993/94	Prcl. 1994/95	Est. 1995/96
<b>IIa. Central Government</b>						
<b>Revenue and grants</b>	<b>235.5</b>	<b>284.0</b>	<b>303.1</b>	<b>264.2</b>	<b>280.5</b>	<b>283.6</b>
Revenue	222.5	250.9	283.1	258.0	267.2	275.0
Current	211.7	218.2	248.3	249.9	263.0	269.2
Tax	176.6	184.8	207.2	219.2	231.8	240.4
Montax	35.1	33.4	41.1	30.7	31.2	28.8
Capital	10.8	32.7	34.8	8.1	4.2	5.8
Grants	13.0	33.1	20.0	7.0	13.3	8.6
<b>Total expenditure</b>	<b>230.7</b>	<b>320.2</b>	<b>364.4</b>	<b>335.3</b>	<b>347.2</b>	<b>348.8</b>
Current expenditure	139.2	155.1	189.2	219.2	239.9	243.0
Of which: wages and salaries	77.3	83.5	104.6	120.5	131.9	135.1
interest payments	9.9	8.9	12.7	20.8	21.8	24.0
Capital expenditure and net lending	91.5	165.0	175.2	116.0	107.4	105.8
Of which: development expenditure	86.5	155.5	167.9	113.5	104.2	101.9
<b>Current account surplus</b>	<b>72.5</b>	<b>63.1</b>	<b>59.1</b>	<b>30.6</b>	<b>23.2</b>	<b>26.2</b>
<b>Overall balance (deficit -)</b>	<b>4.8</b>	<b>-24.1</b>	<b>-61.3</b>	<b>-70.3</b>	<b>-66.7</b>	<b>-65.2</b>
Before severance payments	-4.8	-36.1	-61.3	-70.3	-66.7	-58.2
<b>Financing</b>	<b>-4.8</b>	<b>36.1</b>	<b>61.3</b>	<b>70.3</b>	<b>66.7</b>	<b>65.2</b>
External	9.3	33.2	41.4	28.2	16.2	17.6
External borrowing	6.7	32.4	41.3	29.9	16.1	17.6
Disbursements	18.1	39.2	51.2	46.6	43.6	54.6
Amortisation	-11.4	-6.8	-9.9	-16.7	-27.5	-37.0
Change in deposits abroad	2.6	0.8	0.1	-1.7	0.1	--
Domestic	-14.1	2.9	19.9	42.1	50.5	47.6
Banking system	-20.6	14.9	24.5	48.5	39.2	47.6
Central Bank	-4.5	3.3	46.3	28.5	14.5	27.9
Commercial banks	-16.1	9.6	-22.0	20.0	24.7	19.7
Social Security Board loans	--	--	-0.6	5.4	2.5	--
Other	6.5	-12.0	-4.0	-11.8	8.8	--
<b>IIb. Social Security Board</b>						
<b>Current revenue</b>	<b>17.0</b>	<b>20.5</b>	<b>25.3</b>	<b>27.6</b>	<b>26.0</b>	<b>27.9</b>
Contributions	10.3	12.0	13.7	14.8	14.9	15.8
Investment income	6.7	8.5	11.6	12.8	11.1	12.1
<b>Total expenditure</b>	<b>12.7</b>	<b>21.9</b>	<b>33.6</b>	<b>35.4</b>	<b>24.0</b>	<b>18.3</b>
Current	5.4	7.0	11.6	15.4	16.3	15.8
Benefit payments	2.9	4.4	7.5	10.4	11.0	10.3
Administration	2.5	3.4	4.1	5.0	5.3	5.5
Of which: wages and salaries	1.3	1.5	1.8	2.2	2.8	2.8
Capital	0.6	2.8	1.9	1.1	0.6	1.2
Purchases of shares and net lending	6.7	11.3	20.1	18.9	7.1	1.3
<b>Current balance (deficit -)</b>	<b>11.6</b>	<b>12.7</b>	<b>13.7</b>	<b>12.2</b>	<b>2.7</b>	<b>12.1</b>
<b>Overall balance (deficit -)</b>	<b>4.3</b>	<b>-1.4</b>	<b>-8.3</b>	<b>-7.8</b>	<b>2.0</b>	<b>2.6</b>

Table 26. Belize: Consolidated Operations of the Nonfinancial Public Sector (Continued)

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>III. Nonfinancial Public Enterprises</b>						
<b>Revenue and grants</b>	<b>133.7</b>	<b>141.2</b>	<b>89.4</b>	<b>93.1</b>	<b>94.9</b>	<b>103.1</b>
Current revenue	128.7	131.6	81.5	90.5	91.6	99.1
Operating revenue	124.5	127.2	76.4	87.4	89.1	95.9
Nonoperating revenue	4.2	4.4	5.1	3.1	2.5	3.2
Transfers from Government	1.0	2.1	2.2	0.8	1.5	2.1
Other	3.2	2.3	2.9	2.3	1.0	1.1
Capital transfers from Government	5.0	9.5	7.3	2.5	3.2	3.9
Grants	--	0.1	0.6	0.1	0.1	0.1
<b>Expenditure</b>	<b>147.4</b>	<b>140.3</b>	<b>94.9</b>	<b>84.2</b>	<b>87.8</b>	<b>108.6</b>
Current expenditure	116.4	103.6	65.7	70.2	75.2	80.0
Operating expenditure	89.3	75.7	56.3	61.8	66.2	71.9
Nonoperating expenditure	27.1	27.9	9.4	8.4	9.0	8.1
Transfers to Government	18.1	16.7	4.7	1.4	1.7	1.9
Interest and dividend expenses	9.0	11.2	4.7	7.0	7.3	6.2
Capital expenditure	31.0	34.7	14.4	14.0	12.6	27.6
Capital transfers to Government	--	--	14.8	--	--	1.0
<b>Operating surplus</b>	<b>35.2</b>	<b>51.5</b>	<b>20.1</b>	<b>25.6</b>	<b>22.9</b>	<b>24.0</b>
<b>Current surplus</b>	<b>12.3</b>	<b>28.0</b>	<b>15.8</b>	<b>20.3</b>	<b>16.4</b>	<b>19.1</b>
<b>Overall balance (deficit -)</b>	<b>-13.7</b>	<b>0.9</b>	<b>-5.5</b>	<b>8.9</b>	<b>7.1</b>	<b>-5.5</b>
<b>IIIa. Operations of Belize Telecommunications Limited 1/</b>						
<b>Revenue and grants</b>	<b>50.7</b>	<b>58.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Current revenue	50.7	58.0	--	--	--	--
Operating revenue	48.7	57.3	--	--	--	--
International	33.0	38.0	--	--	--	--
Domestic	15.7	19.3	--	--	--	--
Other current revenue	2.0	0.7	--	--	--	--
Current transfers	--	--	--	--	--	--
Of which: Central Government	--	--	--	--	--	--
<b>Total expenditure</b>	<b>58.6</b>	<b>55.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Current expenditure	46.0	42.8	--	--	--	--
Operating expenditure	22.2	18.8	--	--	--	--
Wages and salaries	7.3	8.5	--	--	--	--
Maintenance	1.7	2.1	--	--	--	--
Other operations	13.2	8.2	--	--	--	--
Interest	2.1	1.7	--	--	--	--
Transfers to Government	16.2	15.1	--	--	--	--
Of which: profit distribution	7.7	4.7	--	--	--	--
taxes paid	8.5	10.4	--	--	--	--
Dividends to the private sector	5.5	7.2	--	--	--	--
Capital expenditure	12.6	12.5	--	--	--	--
<b>Operating surplus</b>	<b>26.5</b>	<b>38.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Current surplus</b>	<b>4.7</b>	<b>15.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Overall balance (deficit -)</b>	<b>-7.9</b>	<b>2.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>



Table 26. Belize: Consolidated Operations of the Nonfinancial Public Sector (Concluded)

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>IIIb. Operations of the Belize Electricity Board</b>						
<b>Revenue and grants</b>	<b>39.6</b>	<b>45.5</b>	<b>50.2</b>	<b>57.8</b>	<b>59.5</b>	<b>69.6</b>
Current revenue	37.1	42.2	50.2	57.8	59.5	67.0
Operating revenue	37.0	41.0	48.2	57.0	59.4	65.3
Sale of electricity	35.5	40.0	45.8	53.7	56.4	61.4
Nonoperating revenue	0.1	1.2	2.0	0.8	0.1	1.7
Current transfers	--	--	--	--	--	1.1
Of which: Central Government	--	--	--	--	--	1.1
Other current revenue	0.1	1.2	2.0	0.8	0.1	0.6
Capital transfers from Government	2.5	3.3	--	--	--	2.6
Of which: Central Government	2.5	3.3	--	--	--	2.6
<b>Total expenditure</b>	<b>48.3</b>	<b>55.2</b>	<b>63.0</b>	<b>51.8</b>	<b>56.3</b>	<b>70.0</b>
Current expenditure	31.8	37.5	38.3	45.2	48.9	53.4
Operating expenditure	31.7	35.7	35.5	39.9	43.2	49.0
Wages and salaries	7.4	8.4	10.0	10.4	10.7	10.7
Fuel and lubricants	15.8	17.8	14.9	18.1	19.5	27.4
Maintenance	4.4	5.3	4.4	6.1	7.1	5.1
Other operating expenditure	4.1	4.2	6.2	5.3	5.9	5.8
Interest	0.1	1.8	2.8	5.3	5.7	4.4
Capital expenditure	16.5	17.7	24.7	6.6	7.4	16.6
Of which: transfers to Central Government	--	--	14.8	--	--	1.0
<b>Operating surplus</b>	<b>3.3</b>	<b>3.3</b>	<b>12.7</b>	<b>17.1</b>	<b>16.2</b>	<b>16.3</b>
<b>Current surplus</b>	<b>3.3</b>	<b>4.7</b>	<b>11.9</b>	<b>12.6</b>	<b>10.6</b>	<b>13.6</b>
<b>Overall balance (deficit -)</b>	<b>-8.7</b>	<b>-9.7</b>	<b>-12.8</b>	<b>6.0</b>	<b>3.2</b>	<b>-0.4</b>
<b>IIIc. Rest of Public Enterprises</b>						
<b>Revenue and grants</b>	<b>43.3</b>	<b>37.6</b>	<b>39.2</b>	<b>35.3</b>	<b>35.4</b>	<b>33.2</b>
Current revenue	40.8	31.4	31.3	32.7	32.1	32.1
Operating revenue	38.8	28.9	28.2	30.4	29.7	30.6
Nonoperating revenue	2.0	2.5	3.1	2.3	2.4	1.5
Transfers from Government	1.0	2.1	2.2	0.8	1.5	1.0
Other	1.0	0.4	0.9	1.5	0.9	0.5
Capital transfers from Government	2.5	6.2	7.3	2.5	3.2	1.0
Grants	--	--	0.6	0.1	0.1	0.1
<b>Expenditure</b>	<b>40.5</b>	<b>29.8</b>	<b>31.9</b>	<b>32.4</b>	<b>31.5</b>	<b>38.6</b>
Current expenditure	38.6	23.3	27.4	25.0	26.3	26.6
Operating expenditure	36.5	21.2	20.8	21.9	23.0	22.9
Nonoperating expenditure	2.1	2.1	6.6	3.1	3.3	3.7
Capital expenditure	1.9	6.5	4.5	7.4	5.2	12.0
<b>Operating surplus</b>	<b>2.3</b>	<b>7.7</b>	<b>7.4</b>	<b>8.5</b>	<b>6.7</b>	<b>7.7</b>
<b>Current surplus</b>	<b>2.2</b>	<b>8.1</b>	<b>3.9</b>	<b>7.7</b>	<b>5.8</b>	<b>5.5</b>
<b>Overall surplus</b>	<b>2.8</b>	<b>7.8</b>	<b>7.3</b>	<b>2.9</b>	<b>3.9</b>	<b>-5.4</b>

Sources: Belize authorities; and Fund staff estimates.

1/ The Belize Telecommunications Limited was privatized in February 1992.

Table 27. Belize: Detailed Central Government Revenue

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>Total revenue and grants</b>	<b>235.5</b>	<b>284.0</b>	<b>303.1</b>	<b>264.9</b>	<b>280.5</b>	<b>283.6</b>
<b>Total revenue</b>	<b>222.5</b>	<b>250.9</b>	<b>283.1</b>	<b>258.0</b>	<b>267.2</b>	<b>275.0</b>
<b>Current revenue</b>	<b>211.7</b>	<b>218.2</b>	<b>248.3</b>	<b>249.9</b>	<b>263.0</b>	<b>269.2</b>
<b>Tax revenue</b>	<b>176.6</b>	<b>184.8</b>	<b>207.2</b>	<b>219.2</b>	<b>231.8</b>	<b>240.4</b>
Income tax	41.2	46.1	60.1	60.2	63.7	58.3
Of which: BTL	8.5	9.2	12.4	13.7	13.8	13.8
Taxes on property	1.5	1.2	2.7	1.2	1.7	2.1
Taxes on goods and services	20.3	20.7	21.0	29.4	29.1	31.8
Excise on spirits and beer	9.2	8.1	7.3	16.9	16.6	18.9
Excise on cigarettes	2.4	2.6	2.5	2.6	2.6	2.6
Excise on soft drinks	3.9	4.3	6.1	4.7	5.0	5.3
Entertainment tax	--	--	--	--	--	--
Hotel occupancy tax	0.1	--	--	--	--	--
Licenses	3.5	4.5	4.3	5.1	4.7	4.5
Other	1.1	1.2	0.7	0.1	0.4	0.5
Taxes on international transactions	108.7	112.9	117.6	123.3	130.7	141.7
Import duty	50.0	51.2	50.7	50.8	51.8	55.3
Revenue replacement duty	17.9	24.0	27.7	32.7	36.2	39.6
Stamp duties (customs)	28.0	27.0	27.7	30.3	33.4	37.3
Goods in transit charge	2.8	3.5	3.5	1.7	1.3	0.8
Export duties	2.6	2.8	2.3	2.5	2.4	3.4
Travel tax	1.8	--	--	--	--	--
Taxes on foreign currency transactions	5.6	4.4	5.7	5.4	5.5	5.2
Other taxes	4.9	3.9	5.8	5.2	6.5	6.6
Stamp duties (other dept.)	4.9	3.9	5.8	5.2	6.5	6.6
Fire rate	--	--	--	--	--	--
<b>Non-tax revenue</b>	<b>35.1</b>	<b>33.4</b>	<b>41.1</b>	<b>30.7</b>	<b>31.2</b>	<b>28.8</b>
Central Bank profits	3.7	1.8	2.4	1.4	3.6	1.7
Contributions to pension fund	0.2	0.2	0.5	0.3	0.3	0.3
Other	17.2	23.1	27.3	24.4	21.7	22.5
Of which: rents and royalties	4.3	2.5	3.9	2.9	2.9	3.1
landing fees	1.3	1.5	--	--	--	--
other	11.6	19.1	23.4	21.5	18.8	19.4
Extrabudgetary revenue (Charities Fund)	1.9	2.9	1.6	2.0	2.4	2.4
Transfers from NFFE's	9.6	4.0	4.7	1.4	1.7	1.9
Interest on deposits	2.5	1.5	4.7	1.2	1.4	--
<b>Capital revenue</b>	<b>10.8</b>	<b>32.7</b>	<b>34.8</b>	<b>8.1</b>	<b>4.3</b>	<b>5.8</b>
Citizenship bonds	1.0	--	--	0.3	0.1	3.5
Sale of crown land	1.2	2.9	2.6	2.2	1.4	1.3
Sale of equity	8.6	29.8	13.3	5.2	2.7	--
MED	--	--	3.8	0.3	0.1	--
Transfers from NFFE's	--	--	14.8	--	--	1.0
<b>Grants</b>	<b>13.0</b>	<b>33.1</b>	<b>20.0</b>	<b>7.0</b>	<b>13.3</b>	<b>8.6</b>

Sources: Ministry of Finance; and Fund staff estimates.

Table 28. Belize: Detailed Central Government Expenditure

(In millions of Belize dollars)

	1990/91	1991/92	1992/93	1993/94	Prel. 1994/95	Est. 1995/96
<b>Total expenditure</b>	<b>230.7</b>	<b>320.2</b>	<b>364.4</b>	<b>335.3</b>	<b>347.2</b>	<b>348.8</b>
<b>Current expenditure</b>	<b>139.2</b>	<b>155.1</b>	<b>189.2</b>	<b>219.2</b>	<b>239.9</b>	<b>243.0</b>
Wages and salaries	77.3	83.5	104.6	120.5	131.9	135.1
Of which: severance payments	--	--	--	--	--	7.0
Pensions	7.3	9.7	11.4	12.7	14.5	15.8
Goods and services	31.3	34.5	41.6	45.0	46.1	42.7
Interest payments	9.9	8.9	12.7	20.8	21.8	24.0
Domestic	5.7	5.3	5.6	9.3	9.5	8.6
Foreign	4.2	3.7	7.1	11.5	12.4	15.4
Subsidies & current transfers	13.4	18.5	18.9	20.2	25.5	25.4
Foreign	1.5	2.9	2.2	2.5	3.3	3.1
Domestic private sector	10.9	13.5	14.5	16.9	20.8	20.2
Nonfinancial public enterprises	1.0	2.1	2.2	0.8	1.5	2.1
Other	--	--	--	--	--	--
<b>Capital expenditure and net lending</b>	<b>91.5</b>	<b>165.0</b>	<b>175.2</b>	<b>116.0</b>	<b>107.4</b>	<b>105.8</b>
Development expenditure	86.5	155.5	167.9	113.5	104.2	101.9
Transfers to NFFE's	5.0	9.5	7.3	2.5	3.2	3.9
Net lending	--	--	--	--	--	--
<b>Memorandum items</b>						
<b>Total development expenditure</b>	<b>86.5</b>	<b>155.5</b>	<b>167.9</b>	<b>113.5</b>	<b>104.2</b>	<b>101.9</b>
Financed by local resources	55.4	83.2	96.7	59.9	47.4	38.7
Financed by external resources	31.1	72.3	71.2	53.6	56.8	63.2
Loans	18.1	39.2	51.2	46.6	43.6	54.6
Grants	13.0	33.1	20.0	7.0	13.3	8.6

Sources: Ministry of Finance; and Fund staff estimates.

Table 29. Belize: Detailed Accounts of the Financial Sector  
(In millions of Belize dollars)

	December					Est.
	1990	1991	1992	1993	1994	1995
<b>I. Central Bank</b>						
<u>International reserves (net)</u>	<u>130.0</u>	<u>86.6</u>	<u>88.4</u>	<u>50.2</u>	<u>42.4</u>	<u>50.5</u>
Assets	139.6	101.6	105.9	63.8	54.8	61.1
Liabilities (-)	-9.5	-15.0	-17.6	-13.6	-12.4	-10.6
<u>Net domestic assets</u>	<u>-77.2</u>	<u>-30.3</u>	<u>-31.6</u>	<u>11.2</u>	<u>23.4</u>	<u>20.8</u>
Credit to nonfinancial public sector (net)	-21.0	14.5	28.1	68.3	71.1	82.7
Central government (net)	-19.5	11.9	18.1	60.0	63.9	76.4
Loans and advances	2.2	1.3	23.8	42.4	42.0	47.2
Securities	3.3	20.7	7.6	19.1	25.9	34.8
Treasury bills	3.2	16.0	2.9	14.5	21.3	10.3
Other securities	0.2	4.7	4.7	4.7	4.7	24.4
Deposits (-)	-25.0	-10.1	-13.3	-1.5	-4.0	-5.6
Rest of nonfinancial public sector	-1.5	2.7	10.0	8.3	7.2	6.3
Loans and advances	--	8.6	10.0	8.5	7.8	7.1
Deposits	-1.5	-5.9	--	-0.2	-0.6	-0.7
Social Security Board	-1.3	--	--	--	--	--
Other NF public entities	-0.1	--	--	-0.2	-0.6	-0.7
Net position of commercial banks	-26.0	-27.9	-39.7	-37.3	-34.0	-42.7
Advances	2.9	2.2	8.0	5.3	1.7	1.5
Deposits (-)	-28.9	-30.1	-47.7	-42.6	-35.6	-44.2
Official capital and reserves	-16.9	-17.4	-19.9	-17.2	-17.8	-17.8
Other assets (net)	-13.3	0.5	-0.1	-2.6	4.1	-1.4
<u>Currency issue</u>	<u>52.8</u>	<u>56.2</u>	<u>56.8</u>	<u>61.4</u>	<u>66.3</u>	<u>71.3</u>
<b>II. Commercial banks</b>						
<u>Net foreign position</u>	<u>2.4</u>	<u>6.7</u>	<u>-16.6</u>	<u>-28.0</u>	<u>-33.3</u>	<u>-6.8</u>
Foreign assets	36.7	30.6	23.3	46.4	47.5	50.9
Foreign liabilities	-34.2	-23.9	-39.9	-74.4	-80.8	-57.7
<u>Net claims on Central Bank</u>	<u>35.0</u>	<u>35.1</u>	<u>45.4</u>	<u>44.6</u>	<u>43.5</u>	<u>54.2</u>
Cash in vault	8.3	7.3	5.8	7.3	9.5	11.5
Reserve deposits	29.6	30.0	47.6	42.6	35.6	44.2
Advances (-)	-2.9	-2.2	-8.0	-5.3	-1.7	-1.5
<u>Net domestic credit</u>	<u>259.8</u>	<u>290.2</u>	<u>366.8</u>	<u>398.8</u>	<u>436.6</u>	<u>489.4</u>
Nonfinancial public sector (net)	-28.9	-53.4	-24.4	-10.7	13.8	33.7
Central Government (net)	21.3	9.5	29.5	19.6	40.3	60.0
Treasury bills	51.2	45.4	60.7	48.9	62.9	63.9
Deposits (-)	-29.9	-36.0	-31.2	-29.4	-22.6	-3.9
Rest of public sector (net)	-50.1	-62.9	-53.9	-30.3	-26.5	-26.3
Loans and advances	7.3	4.9	1.2	0.3	0.4	2.7
Letters of credit	6.1	4.6	0.3	1.4	--	--
Deposits (-)	-63.5	-72.4	-55.4	-32.0	-26.9	-29.0
Social Security Board	-45.3	-50.8	-43.0	-20.0	-18.6	-19.7
Statutory bodies	-17.8	-20.9	-11.7	-12.0	-8.2	-9.4
Local governments	-0.4	-0.6	-0.7	--	--	--
Credit to private sector	278.8	341.8	385.5	398.0	417.6	449.3
Deposits of public financial institutions	-2.4	-6.5	-2.8	-1.7	-2.2	-2.6
Deposits of private financial institutions	-18.9	-11.0	-13.3	-12.8	-12.6	-14.7
Other assets (net)	31.2	19.3	21.8	26.1	20.0	23.7
<u>Liabilities to the private sector</u>	<u>297.3</u>	<u>332.0</u>	<u>395.6</u>	<u>415.5</u>	<u>446.8</u>	<u>536.9</u>
Money and quasi money	267.0	296.5	353.1	369.5	402.5	476.8
Demand deposits	58.4	64.8	77.7	83.5	88.6	89.9
Time deposits	129.5	146.9	176.8	190.7	209.5	278.1
Savings deposits	79.1	84.8	98.6	95.3	104.4	108.8
Foreign deposits of residents	2.3	1.4	6.9	3.5	6.3	9.2
Capital and reserves	28.0	34.1	35.6	42.5	38.1	50.8

Table 29. Belize: Detailed Accounts of the Financial Sector (Continued)  
(In millions of Belize dollars)

	December					Est. 1995
	1990	1991	1992	1993	1994	
<b>III. Consolidated Banking System (I+II)</b>						
<u>International reserves (net)</u>	<u>132.4</u>	<u>93.3</u>	<u>71.8</u>	<u>22.2</u>	<u>9.1</u>	<u>43.7</u>
Assets	176.2	132.2	129.3	110.2	102.4	112.0
Liabilities	-43.8	-38.9	-57.4	-88.0	-93.2	-68.3
Of which: Fund credit	-0.9	--	--	--	--	--
<u>Domestic credit</u>	<u>209.3</u>	<u>287.6</u>	<u>374.8</u>	<u>447.4</u>	<u>494.0</u>	<u>552.9</u>
Nonfinancial public sector (net)	-49.8	-38.9	3.7	57.6	84.9	116.4
Central government (net)	1.8	21.3	47.7	79.6	104.2	136.4
Claims	56.7	67.4	92.1	110.4	130.9	145.9
Deposits (-)	-55.0	-46.0	-44.5	-30.9	-26.7	-9.5
Rest of the NF public sector	-51.6	-60.2	-44.0	-22.0	-19.3	-20.0
Claims	13.4	18.1	11.5	10.2	8.2	9.8
Deposits (-)	-64.9	-78.3	-55.5	-32.2	-27.5	-29.8
Social Security Board	-46.6	-56.8	-43.0	-20.0	-18.6	-19.7
Other public agencies	-18.3	-21.5	-12.4	-12.3	-8.9	-10.1
Credit to private sector	278.8	341.8	385.5	398.0	417.6	449.3
Deposits of public financial institutions	-2.4	-6.5	-2.8	-1.7	-2.2	-2.6
Deposits of private financial institutions	-18.9	-11.0	-13.3	-12.8	-12.6	-14.7
Official capital and reserves	-16.9	-17.4	-19.9	-17.2	-17.8	-17.8
Interbank float	0.7	-0.2	-0.1	--	--	--
Other assets (net)	17.8	19.7	21.6	23.5	24.1	22.3
<u>Liabilities to the private sector</u>	<u>341.8</u>	<u>380.9</u>	<u>446.6</u>	<u>469.6</u>	<u>503.5</u>	<u>596.7</u>
Money and quasi-money	311.5	345.4	404.1	423.6	459.2	536.6
Currency in circulation	44.5	48.9	51.0	54.1	56.7	59.8
Demand deposits	58.4	64.8	77.7	83.5	88.6	89.9
Time deposits	129.5	146.9	176.8	190.7	209.5	278.1
Savings deposits	79.1	84.8	98.6	95.3	104.4	108.8
Foreign deposits of residents	2.3	1.4	6.9	3.5	6.3	9.2
Capital and Reserves	28.0	34.1	35.6	42.5	38.1	50.8
<b>IV. Development Finance Corporation</b>						
<u>Net international reserves</u>	<u>-1.4</u>	<u>-1.2</u>	<u>-1.2</u>	<u>-1.9</u>	<u>--</u>	<u>--</u>
Foreign assets	--	--	0.1	--	--	--
Short-term foreign liabilities (-)	-1.4	-1.2	-1.3	-1.9	--	--
<u>Claims on banks</u>	<u>-2.5</u>	<u>-1.6</u>	<u>-5.1</u>	<u>-6.2</u>	<u>1.1</u>	<u>2.1</u>
Deposits	1.5	3.7	0.8	0.9	1.1	2.1
Loans (-)	-4.0	-5.3	-5.9	-7.1	--	--
<u>Net claims on Central Bank</u>	<u>1.9</u>	<u>1.2</u>	<u>1.6</u>	<u>-2.8</u>	<u>-3.1</u>	<u>-3.2</u>
Cash and deposits	1.9	1.2	1.6	0.3	0.3	0.1
Advances (-)	--	--	--	-3.1	-3.4	-3.3
<u>Net domestic credit</u>	<u>34.1</u>	<u>32.5</u>	<u>34.4</u>	<u>37.0</u>	<u>30.4</u>	<u>29.2</u>
Credit to nonfinancial public sector	-0.4	-0.3	-0.1	-0.8	-7.9	-9.7
Central Government (net)	-0.4	-0.3	-0.3	-0.8	-1.2	-1.4
Rest of public sector (net)	--	--	0.2	--	-6.7	-8.3
Credit to private sector	35.4	34.3	38.2	41.7	45.3	46.0
Capital and reserves	1.4	3.7	-1.3	-2.9	-7.1	-8.6
Other assets (net)	-2.3	-5.2	-2.4	-1.0	0.1	1.5
<u>Foreign liabilities (medium- and long-term)</u>	<u>32.2</u>	<u>30.9</u>	<u>29.7</u>	<u>26.3</u>	<u>28.4</u>	<u>28.1</u>

Table 29. Belize: Detailed Accounts of the Financial Sector (Continued)  
(In millions of Belize dollars)

	December					Est. 1995
	1990	1991	1992	1993	1994	
<b>V. Government Savings Bank</b>						
<u>Net foreign position</u>	<u>5.4</u>	<u>6.0</u>	<u>6.4</u>	<u>6.5</u>	<u>6.7</u>	<u>6.8</u>
Assets	5.4	6.0	6.4	6.5	6.7	6.8
Liabilities (-)	--	--	--	--	--	--
<u>Net domestic credit</u>	<u>0.3</u>	<u>-0.2</u>	<u>-0.7</u>	<u>-0.7</u>	<u>-0.7</u>	<u>-0.7</u>
Credit to nonfinancial public sector	0.3	--	--	--	--	--
Of which: Central Government (net)	0.3	--	--	--	--	--
Official capital and reserves	--	-0.2	-0.7	-0.7	-0.7	-0.7
<u>Liabilities to private sector</u>	<u>5.7</u>	<u>5.8</u>	<u>5.7</u>	<u>5.8</u>	<u>5.5</u>	<u>5.5</u>
Savings deposits	5.7	5.8	5.7	5.8	5.5	5.5
<b>VI. Credit Unions</b>						
<u>Claims on banks</u>	<u>4.0</u>	<u>5.5</u>	<u>5.7</u>	<u>7.0</u>	<u>8.0</u>	<u>10.7</u>
Demand deposits	0.7	0.7	0.7	1.9	1.5	2.1
Time deposits	3.3	4.9	4.9	5.1	6.5	8.6
<u>Net claims on Central Bank</u>	<u>0.1</u>	<u>0.2</u>	<u>0.4</u>	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>
Cash in vault	0.1	0.2	0.4	0.3	0.4	0.3
<u>Net domestic credit</u>	<u>34.4</u>	<u>48.0</u>	<u>56.6</u>	<u>65.1</u>	<u>72.5</u>	<u>78.5</u>
Credit to private sector	33.6	48.3	56.3	65.8	73.5	80.9
Other assets (net)	-0.8	0.2	-0.3	0.7	1.0	2.4
<u>Liabilities to private sector</u>	<u>38.5</u>	<u>53.7</u>	<u>62.7</u>	<u>72.4</u>	<u>80.9</u>	<u>89.4</u>
Share capital	31.9	45.5	53.6	61.3	67.3	73.5
Reserves	6.6	8.3	9.0	11.0	13.6	16.0
<b>VII. Consolidated Rest of the Financial System (IV+V+VI)</b>						
<u>International reserves (net)</u>	<u>4.0</u>	<u>4.8</u>	<u>5.2</u>	<u>4.6</u>	<u>6.7</u>	<u>6.8</u>
Assets	5.4	6.0	6.5	6.5	6.7	6.8
Short-term liabilities (-)	-1.4	-1.2	-1.3	-1.9	--	--
<u>Claims on banks</u>	<u>1.5</u>	<u>3.9</u>	<u>0.6</u>	<u>0.8</u>	<u>9.1</u>	<u>12.8</u>
Demand deposits	2.2	4.4	1.5	2.8	2.6	4.2
Time deposits	3.3	4.9	4.9	5.1	6.5	8.6
Loans (-)	-4.0	-5.3	-5.9	-7.1	--	--
<u>Net claims on Central Bank</u>	<u>2.0</u>	<u>1.4</u>	<u>2.0</u>	<u>-2.5</u>	<u>-2.7</u>	<u>-2.9</u>
Cash in vault	2.0	1.4	2.0	0.6	0.7	0.4
Advances (-)	--	--	--	-3.1	-3.4	-3.3
<u>Domestic credit</u>	<u>68.8</u>	<u>80.3</u>	<u>90.3</u>	<u>101.4</u>	<u>102.2</u>	<u>107.0</u>
Credit to nonfinancial public sector (net)	-0.1	-0.3	-0.1	-0.8	-7.9	-9.7
Central Government (net)	-0.1	-0.3	-0.3	-0.8	-1.2	-1.4
Rest of the public sector	--	--	0.2	--	-6.7	-8.3
Credit to private sector	69.0	82.6	94.5	107.5	118.8	126.9
Official capital and reserves	1.4	3.5	-2.0	-3.6	-7.8	-9.3
Unclassified assets (net)	-3.1	-5.0	-2.7	-0.3	1.1	3.9
<u>Liabilities to private sector</u>	<u>44.2</u>	<u>59.5</u>	<u>68.4</u>	<u>78.2</u>	<u>86.4</u>	<u>94.9</u>
Share capital	31.9	45.5	53.6	61.3	67.3	73.5
Savings deposits	5.7	5.8	5.7	5.8	5.5	5.5
Other reserves	6.6	8.3	9.0	11.0	13.6	16.0
<u>Foreign liabilities (medium- and long-term)</u>	<u>32.2</u>	<u>30.9</u>	<u>29.7</u>	<u>26.3</u>	<u>28.4</u>	<u>28.1</u>

Table 29. Belize: Detailed Accounts of the Financial Sector (Concluded)  
(In millions of Belize dollars)

	December					Est.
	1990	1991	1992	1993	1994	1995
<b>VIII. Consolidated Financial System (III+VII)</b>						
<u>International reserves (net)</u>	<u>136.4</u>	<u>98.1</u>	<u>77.0</u>	<u>26.8</u>	<u>15.8</u>	<u>50.5</u>
Assets	181.6	138.2	135.8	116.7	109.1	118.8
Liabilities (-)	-45.2	-40.1	-58.7	-89.9	-93.2	-68.3
<u>Domestic credit</u>	<u>271.9</u>	<u>361.2</u>	<u>452.3</u>	<u>535.3</u>	<u>586.5</u>	<u>646.8</u>
Credit to nonfinancial public sector (net)	-49.9	-39.2	3.6	56.8	77.0	106.7
Central Government (net)	1.7	21.0	47.4	78.8	103.0	135.0
Claims	56.6	67.1	91.8	109.6	129.7	144.5
Deposits (-)	-55.0	-46.0	-44.5	-30.9	-26.7	-9.5
Rest of the public sector (net)	-51.6	-60.2	-43.8	-22.0	-26.0	-28.3
Credit to private sector	343.7	419.1	474.1	498.4	536.4	576.2
Official capital and reserves	-15.5	-13.9	-21.9	-20.8	-25.6	-27.1
Other assets (net)	-6.4	-4.8	-3.5	0.8	-1.3	-9.0
<u>Foreign liabilities (medium- and long-term)</u>	<u>32.2</u>	<u>30.9</u>	<u>29.7</u>	<u>26.3</u>	<u>28.4</u>	<u>28.1</u>
<u>Liabilities to private sector</u>	<u>376.2</u>	<u>428.4</u>	<u>499.6</u>	<u>535.7</u>	<u>573.9</u>	<u>669.2</u>
Currency in circulation	42.5	47.6	49.0	53.5	56.1	59.4
Demand deposits	56.2	60.4	76.2	80.7	86.0	85.7
Time deposits	126.2	142.1	171.9	185.6	203.0	269.5
Savings deposits	84.8	90.6	104.3	101.1	109.9	114.3
Share capital	31.9	45.5	53.6	61.3	67.3	73.5
Capital and reserves	34.6	42.3	44.6	53.5	51.7	66.8

Sources: Central Bank of Belize; Credit Unions; Development Finance Corporation; and Fund staff estimates.

**Table 30. Belize: Treasury Bills by Holder**  
**(In millions of Belize dollars, end of period)**

	December					1995			
	1990	1991	1992	1993	1994	Mar	Jun	Sep	Dec
<b>Total holdings</b>	<b>61.7</b>	<b>62.2</b>	<b>64.1</b>	<b>64.2</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>
<b>Central Bank of Belize</b>	<b>3.2</b>	<b>24.8</b>	<b>3.0</b>	<b>14.6</b>	<b>21.5</b>	<b>32.4</b>	<b>21.9</b>	<b>20.7</b>	<b>10.4</b>
<b>Commercial banks</b>	<b>46.1</b>	<b>37.0</b>	<b>61.1</b>	<b>49.1</b>	<b>48.1</b>	<b>37.3</b>	<b>47.7</b>	<b>48.8</b>	<b>59.1</b>
<b>Public sector entities <u>1/</u></b>	<b>12.3</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Other <u>2/</u></b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>

Source: Central Bank of Belize.

1/ Mainly the Social Security Board.

2/ Includes Caribbean Development Bank.



Table 31. Belize: Interest Rates. 1/  
(In percent per year)

	Treasury Bill Discount Rate	Central Bank Lending Rate	Commercial bank rates					Weighted Average		US\$ Libor 3-month dep. rate	Belize 3-month dep. diff.
			Saving Deposits	Time Deposits 2/	Personal Loans	Commercial Loans	Mortgage Loans	Deposits	Loans		
<b>1990</b>											
I	7.4	12.0	5.3	8.1	14.6	13.9	12.9	6.1	13.9	8.4	-0.3
II	7.4	12.0	5.3	8.1	14.4	13.9	13.3	6.2	13.9	8.5	-0.3
III	7.4	12.0	5.4	8.1	14.5	14.2	13.6	6.2	14.1	8.2	-0.1
IV	7.4	12.0	5.4	8.3	14.8	14.3	13.7	6.3	14.3	8.2	0.0
<b>1991</b>											
I	7.4	12.0	5.4	8.4	14.8	14.2	14.0	6.4	14.2	6.9	1.5
II	7.1	12.0	5.4	8.5	14.8	14.2	14.0	6.4	14.2	6.2	2.3
III	6.5	12.0	5.4	8.4	14.7	14.1	14.0	6.3	14.2	5.8	2.6
IV	5.9	12.0	5.4	8.4	14.5	14.1	14.2	6.4	14.3	5.1	3.3
<b>1992</b>											
I	5.8	12.0	5.4	8.2	14.5	14.1	14.5	6.3	14.3	4.2	4.0
II	5.6	12.0	5.4	8.2	14.6	14.1	14.4	6.2	14.3	4.1	4.1
III	5.2	12.0	5.4	8.1	14.8	14.0	14.3	6.1	14.3	3.5	4.7
IV	4.9	12.0	5.4	8.1	14.9	14.1	14.0	6.0	14.4	3.6	4.4
<b>1993</b>											
I	4.8	12.0	5.4	8.0	14.9	14.1	14.1	6.0	14.4	3.3	4.8
II	4.7	12.0	5.4	8.1	14.8	14.0	14.2	6.0	14.3	3.2	4.9
III	4.5	12.0	5.4	8.2	14.5	14.1	14.2	6.0	14.2	3.3	4.9
IV	4.4	12.0	5.4	8.2	14.9	14.4	14.0	6.0	14.5	3.4	4.8
<b>1994</b>											
I	4.4	11.7	5.3	8.4	15.1	14.5	14.1	6.0	14.7	3.6	4.8
II	4.3	11.0	5.3	8.5	15.3	14.5	14.2	6.0	14.7	4.5	4.0
III	4.3	11.0	5.3	8.6	15.2	14.6	13.6	6.0	14.8	5.0	3.6
IV	4.2	12.0	5.3	8.7	15.5	14.8	13.6	6.1	14.9	6.0	2.7
<b>1995</b>											
I	4.1	12.0	5.3	8.8	16.0	15.2	13.9	6.1	15.3	6.3	2.5
II	4.1	12.0	5.3	9.3	16.0	15.6	14.3	6.4	15.6	6.1	3.1
III	4.1	12.0	5.3	9.6	16.1	15.8	14.4	6.8	15.7	5.9	3.7
IV	4.0	12.0	5.3	9.9	16.6	16.1	14.4	7.1	16.1	5.9	4.0

Source: Central Bank of Belize.

1/ Quarterly average.

2/ 3-month time deposits.

Table 32. Belize: Sectoral Distribution of Credit to the Private Sector

	December					Est.
	1990	1991	1992	1993	1994	1995
(In millions of Belize dollars)						
<b>By source</b>	<b>354.8</b>	<b>414.3</b>	<b>464.3</b>	<b>493.1</b>	<b>524.7</b>	<b>568.7</b>
Commercial banks <sup>1/</sup>	278.3	333.4	371.2	386.5	405.5	440.7
Development Finance Corporation	33.9	32.6	36.8	40.8	45.7	47.1
Credit unions	42.7	48.3	56.3	65.8	73.5	80.9
<b>By destination</b>	<b>354.8</b>	<b>414.3</b>	<b>464.3</b>	<b>493.1</b>	<b>524.7</b>	<b>568.7</b>
<b>Primary sectors</b>	<b>66.2</b>	<b>71.8</b>	<b>76.0</b>	<b>83.7</b>	<b>73.9</b>	<b>81.1</b>
Agriculture	59.8	66.8	68.7	74.8	67.8	73.2
Sugar	20.2	16.7	16.6	16.3	17.4	18.1
Citrus	11.3	23.0	24.3	27.7	26.0	30.0
Rice	0.4	0.5	0.4	0.9	1.1	1.4
Bananas	17.9	18.5	17.8	21.5	16.3	16.1
Cattle	2.0	1.7	2.3	2.0	1.7	1.6
Other agriculture	7.9	6.4	7.3	6.4	5.3	6.0
Other Primary	6.4	5.0	7.3	8.9	6.1	7.9
<b>Secondary sectors</b>	<b>89.5</b>	<b>105.2</b>	<b>125.3</b>	<b>130.6</b>	<b>151.8</b>	<b>162.8</b>
Manufacturing	19.3	27.6	29.5	33.4	40.6	40.0
Construction	70.2	77.6	95.8	97.2	111.3	122.8
<b>Services</b>	<b>111.0</b>	<b>129.3</b>	<b>138.4</b>	<b>151.5</b>	<b>160.8</b>	<b>169.1</b>
Transportation	10.2	11.5	13.0	15.1	15.0	13.0
Tourism	13.7	25.8	25.2	25.4	25.0	22.9
Trade and commerce	71.4	71.4	78.1	83.3	85.2	91.0
Other services	15.7	20.7	22.1	27.8	35.7	42.2
<b>Personal <sup>2/</sup></b>	<b>88.1</b>	<b>108.1</b>	<b>124.6</b>	<b>127.3</b>	<b>138.2</b>	<b>155.7</b>
(In percent)						
<b>By source</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Commercial banks <sup>1/</sup>	78.4	80.5	80.0	78.4	77.3	77.5
Development Finance Corporation	9.6	7.9	7.9	8.3	8.7	8.3
Credit unions	12.0	11.6	12.1	13.3	14.0	14.2
<b>By destination</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Primary sectors</b>	<b>18.7</b>	<b>17.3</b>	<b>16.4</b>	<b>17.0</b>	<b>14.1</b>	<b>14.3</b>
Agriculture	16.9	16.1	14.8	15.2	12.9	12.9
Sugar	5.7	4.0	3.6	3.3	3.3	3.2
Citrus	3.2	5.5	5.2	5.6	5.0	5.3
Rice	0.1	0.1	0.1	0.2	0.2	0.2
Bananas	5.0	4.5	3.8	4.4	3.1	2.8
Cattle	0.6	0.4	0.5	0.4	0.3	0.3
Other agriculture	2.2	1.5	1.6	1.3	1.0	1.1
Other Primary	1.8	1.2	1.6	1.8	1.2	1.4
<b>Secondary sectors</b>	<b>25.2</b>	<b>25.4</b>	<b>27.0</b>	<b>26.5</b>	<b>28.9</b>	<b>28.6</b>
Manufacturing	5.5	6.7	6.4	6.8	7.7	7.0
Construction	19.8	18.7	20.6	19.7	21.2	21.6
<b>Services</b>	<b>31.3</b>	<b>31.2</b>	<b>29.8</b>	<b>30.7</b>	<b>30.7</b>	<b>29.7</b>
Transportation	2.9	2.8	2.8	3.1	2.9	2.3
Tourism	3.9	6.2	5.4	5.2	4.8	4.0
Trade and commerce	20.1	17.2	16.8	16.9	16.2	16.0
Other services	4.4	5.0	4.8	5.6	6.8	7.4
<b>Personal <sup>2/</sup></b>	<b>24.8</b>	<b>26.1</b>	<b>26.8</b>	<b>25.8</b>	<b>26.3</b>	<b>27.4</b>

Sources: Central Bank of Belize; Development Finance Corporation; and the Department of Cooperatives.

<sup>1/</sup> Includes loans and advances, letters of credit, bank acceptances, and bank guarantees.

<sup>2/</sup> All credit union loans included under personal loans.

Table 33. Belize: Detailed Balance of Payments  
(In millions of U.S. dollars)

	1990			1991			1992			1993			1994			1995		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Current account</b>	<b>298.6</b>	<b>305.2</b>	<b>-6.5</b>	<b>282.6</b>	<b>312.4</b>	<b>-29.8</b>	<b>325.3</b>	<b>354.1</b>	<b>-28.8</b>	<b>326.1</b>	<b>372.8</b>	<b>-46.7</b>	<b>327.7</b>	<b>350.2</b>	<b>-22.5</b>	<b>342.1</b>	<b>355.7</b>	<b>-13.5</b>
Trade balance	142.4	243.7	-101.3	128.8	251.2	-122.3	148.1	274.6	-126.6	141.8	288.0	-146.2	156.4	261.9	-105.5	164.4	263.1	-98.7
Exports, f.o.b.	142.4		142.4	128.8		128.8	148.1		148.1	141.8		141.8	156.4		156.4	164.4		164.4
Domestic exports	108.5		108.5	98.6		98.6	115.6		115.6	118.3		118.3	127.6		127.6	143.0		143.0
Re-exports	33.9		33.7	30.3		30.1	32.5		32.3	23.4		23.2	28.8		28.6	21.4		21.2
Imports, c.i.f. /		243.7	-243.7		251.2	-251.2		274.6	-274.6		288.0	-288.0		261.9	-261.9		263.1	-263.1
Services	122.3	57.3	65.0	121.4	56.9	64.5	141.9	74.5	67.4	150.3	80.4	69.8	136.9	83.1	53.8	137.9	87.5	50.4
Nonfactor services	108.0	36.2	71.8	112.6	37.3	75.3	135.3	51.1	84.2	144.2	54.6	89.6	130.3	54.7	75.6	130.1	58.4	71.7
Travel	44.5	6.6	37.8	44.8	7.5	37.2	59.7	14.3	45.4	67.3	16.5	50.8	71.4	17.1	54.2	77.6	17.9	59.7
Transportation	5.3	7.5	-2.2	5.6	8.7	-3.1	6.4	9.9	-3.5	6.3	10.7	-4.4	6.4	11.0	-4.6	6.1	11.7	-5.6
Other government services	32.7	6.2	26.4	33.3	6.7	26.5	34.7	10.6	24.1	35.2	8.5	26.7	22.0	5.9	16.1	16.0	6.4	9.6
Of which:																		
Embassy transactions	10.3	1.8	8.5	10.4	1.8	8.7	11.0	2.3	8.7	11.3	1.9	9.4	11.5	2.1	9.4	11.7	2.3	9.4
Military transactions	22.3	--	22.3	21.3	0.1	21.3	22.1	0.1	22.0	22.5	0.1	22.5	9.4	--	9.4	3.1	--	3.1
Other private services	25.6	15.9	9.7	29.0	14.3	14.6	34.6	16.3	18.3	35.5	19.0	16.5	30.6	20.7	9.9	30.4	22.3	8.1
Of which: Communication	10.6	4.0	6.5	11.6	4.4	7.3	12.1	4.1	8.0	12.4	4.4	8.0	7.4	4.0	3.4	6.0	4.0	2.0
Factor services	14.3	21.1	-6.8	8.9	19.7	-10.8	6.5	23.4	-16.8	6.0	25.8	-19.8	6.6	28.4	-21.9	7.9	29.2	-21.3
Investment income	5.9	14.3	-8.5	5.0	14.4	-9.4	3.1	18.3	-15.2	2.5	21.0	-18.5	2.9	22.9	-20.1	3.7	23.0	-19.3
Profit remittance	--	7.5	-7.5	--	8.7	-8.7	--	12.6	-12.6	--	14.8	-14.8	--	13.1	-13.1	--	10.1	-10.1
Public sector interest	5.3	5.6	-0.3	4.1	4.7	-0.6	2.6	4.9	-2.3	1.7	5.4	-3.7	2.0	6.7	-4.7	2.2	8.6	-6.4
Private sector interest	0.6	1.3	-0.7	0.9	1.1	-0.2	0.6	0.9	-0.3	0.8	0.8	-0.0	0.9	3.1	-2.2	1.5	4.3	-2.8
Other Factor Services	8.5	6.8	1.7	3.8	5.2	-1.4	3.4	5.0	-1.6	3.5	4.8	-1.3	3.7	5.5	-1.8	4.2	6.2	-2.0
Labor income	4.7	6.5	-1.8	3.3	4.8	-1.6	3.4	4.7	-1.3	3.4	4.7	-1.2	3.7	5.3	-1.6	4.0	5.7	-1.7
Property income	3.8	0.3	3.5	0.6	0.4	0.2	--	0.3	-0.3	0.1	0.1	-0.1	--	0.2	-0.2	0.2	0.5	-0.3
Transfers	33.9	4.2	29.7	32.3	4.3	28.1	35.3	5.0	30.3	34.1	4.4	29.7	34.4	5.2	29.3	39.8	5.1	34.7
Private transfers	19.8	3.1	16.7	18.3	2.9	15.5	21.1	3.5	17.6	18.5	2.9	15.5	18.4	3.9	14.5	23.3	3.6	19.7
Official transfers	14.1	1.1	13.1	14.0	1.4	12.6	14.3	1.5	12.7	15.6	1.5	14.1	16.0	1.2	14.8	16.5	1.4	15.1
<b>Capital account</b>	<b>48.4</b>	<b>28.2</b>	<b>20.2</b>	<b>45.8</b>	<b>33.7</b>	<b>12.2</b>	<b>63.0</b>	<b>33.2</b>	<b>29.8</b>	<b>71.8</b>	<b>41.2</b>	<b>30.6</b>	<b>60.3</b>	<b>43.2</b>	<b>17.1</b>	<b>74.2</b>	<b>60.8</b>	<b>13.4</b>
Public Sector	15.0	10.0	5.0	20.2	11.1	9.1	26.9	12.3	14.6	25.3	13.5	11.7	26.6	18.6	8.0	30.9	21.0	9.9
Official Borrowing	15.0	9.4	5.7	20.2	11.0	9.2	26.4	9.2	17.2	25.3	11.8	13.5	26.6	16.0	10.6	30.9	20.0	10.8
Central Government	...	...	...	...	...	...	24.1	4.6	19.5	23.9	7.5	16.4	22.2	12.4	9.8	25.9	17.3	8.6
Financial public sector	...	...	...	...	...	...	1.6	2.7	-1.1	0.7	2.2	-1.5	0.1	1.1	-1.0	2.9	1.3	1.6
Non-financial public sector	...	...	...	...	...	...	0.7	1.9	-1.3	0.7	2.1	-1.4	4.3	2.5	1.8	2.0	1.4	0.6
Other official capital flows	--	0.7	-0.7	--	0.1	-0.1	0.5	3.1	-2.6	--	1.7	-1.7	--	2.6	-2.6	--	1.0	-1.0
Private capital	33.4	18.2	15.2	25.6	22.5	3.1	36.1	20.8	15.3	46.6	27.7	18.9	33.7	24.6	9.1	43.3	39.8	3.5
Direct investment	19.0	1.8	17.2	15.1	1.5	13.6	17.8	2.2	15.6	13.6	2.1	11.6	12.0	4.5	7.5	12.8	4.9	7.9
Portfolio investment	--	--	--	--	--	--	0.2	--	0.2	7.0	--	7.0	6.1	--	6.1	6.1	--	6.1
Commercial banks	4.0	6.0	-2.0	3.1	5.2	-2.1	11.7	--	11.7	17.3	11.6	5.7	3.2	0.5	2.7	--	7.3	-7.3
Other private capital	10.4	10.4	-0.0	7.5	15.9	-8.4	6.4	18.6	-12.2	8.7	14.1	-5.4	12.4	19.5	-7.2	24.5	27.6	-3.1
<b>Errors and omissions</b>			<b>-3.1</b>			<b>-4.1</b>			<b>-0.1</b>			<b>-2.9</b>			<b>1.5</b>			<b>4.1</b>
<b>Overall balance</b>			<b>10.6</b>			<b>-21.7</b>			<b>0.9</b>			<b>-19.1</b>			<b>-3.9</b>			<b>4.0</b>
Financing			-10.6			21.7			-0.9			19.1			3.9			-4.0
Change in net official reserves			-10.6			21.7			-0.9			19.1			3.9			4.0
Change in COB holdings			-2.1			-0.9			-0.4			4.0			--			--

Source: Central Bank of Belize; Ministry of Finance; and Fund staff estimates.

Table 34. Belize: Principal Domestic Exports

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<u>(In millions of U.S. dollars; volume as indicated; unit value in U.S. dollars)</u>						
<u>Total exports (value)</u>	<u>142.4</u>	<u>128.8</u>	<u>148.1</u>	<u>141.8</u>	<u>156.4</u>	<u>164.4</u>
<u>Total domestic exports (value)</u>	<u>108.4</u>	<u>98.6</u>	<u>115.6</u>	<u>118.3</u>	<u>127.6</u>	<u>143.0</u>
Main exports (value)	103.5	93.9	111.6	111.9	120.7	133.9
Other exports (value)	4.9	4.6	4.0	6.5	7.0	9.1
<u>Re-exports, f.o.b.</u>	<u>33.7</u>	<u>30.1</u>	<u>32.3</u>	<u>23.2</u>	<u>28.6</u>	<u>21.2</u>
<u>Coverage adjustments <sup>1/</sup></u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
<u>Sugar</u>						
Value	42.8	41.7	37.6	41.5	40.3	47.7
Volume ('000 long tons)	92.5	91.9	89.9	90.3	92.8	92.3
Unit value (US cents/lb.)	20.6	20.2	18.7	20.5	19.4	23.1
<u>Molasses</u>						
Value	3.3	3.7	2.7	4.0	5.2	2.8
Volume (million gallons)	7.1	9.7	6.7	9.6	8.0	6.4
Unit value (US cents/gallon)	45.9	38.7	40.2	41.9	65.2	43.5
<u>Seafood products</u>						
Value	9.0	10.1	12.0	12.4	13.5	15.6
Volume (million pounds)	1.7	2.0	2.3	2.2	2.2	2.6
Unit value (US\$/pound)	5.2	5.1	5.3	5.6	6.0	5.9
<u>Banana</u>						
Value	9.9	7.3	10.2	17.4	23.0	22.1
Volume (million boxes of 42 lbs.)	1.7	1.3	1.8	2.0	2.5	2.3
Unit value (US cents/lb.)	13.8	13.4	13.7	20.4	21.7	23.0
<u>Citrus concentrates</u>						
Value	21.4	10.8	27.5	13.9	16.7	29.1
Volume (million gallons)	2.0	1.2	2.7	2.0	2.1	3.5
Unit value (US\$/gallon)	10.9	9.0	10.3	7.0	8.0	8.4
<u>Sawn wood</u>						
Value	2.0	2.8	3.0	2.3	3.8	2.0
Volume (million board feet)	2.4	4.8	4.3	3.2	4.4	2.7
Unit value (US cents/board foot)	83.2	58.3	69.8	71.4	86.0	73.9
<u>Garments</u>						
Value	15.2	17.5	18.5	20.3	18.3	14.6
Volume ('000 dozens)	300.0	325.0	339.0	354.0	275.2	192.6
Unit value (US\$/doz.)	50.5	53.8	54.7	57.4	66.3	75.5
<u>Memorandum items:</u>						
Total exports (percent change)	25.3	-9.5	15.0	-4.2	10.3	13.9
Total exports (percent of GDP)	35.3	29.9	30.6	26.9	28.4	27.8

Source: Central Statistical Office.

<sup>1/</sup> Exports through Parcel Post.

Table 35. Belize: Domestic Exports by SITC Category

	1990	1991	1992	1993	1994	Prel. 1995
<b>(In million of U.S. dollars)</b>						
<b>Total domestic exports, f.o.b.</b>	<b>108.4</b>	<b>98.6</b>	<b>115.6</b>	<b>118.3</b>	<b>127.6</b>	<b>143.0</b>
Food	85.3	76.1	92.1	92.5	102.0	123.7
Crude material	3.3	3.5	3.8	3.0	4.6	2.3
Chemicals	0.3	0.3	0.4	0.3	0.3	1.5
Manufactured goods	0.6	1.1	1.2	1.3	1.5	0.4
Machinery and equipment	--	--	--	0.4	0.1	--
Miscellaneous manufactures	19.0	17.7	18.2	21.0	19.1	15.1
<b>(In percent of total exports)</b>						
<b>Total domestic exports, f.o.b.</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Food	78.7	77.2	79.6	78.2	79.9	86.5
Crude material	3.0	3.6	3.2	2.5	3.6	1.6
Chemicals	0.2	0.3	0.3	0.2	0.2	1.1
Manufactured goods	0.6	1.1	1.0	1.1	1.2	0.3
Machinery and equipment	--	--	--	0.3	0.1	--
Miscellaneous manufactures	17.5	17.9	15.7	17.8	15.0	10.5
<b>Memorandum item:</b>						
Domestic exports as percent of GDP	26.9	22.9	23.9	22.5	23.2	24.2

Source: Central Statistical Office.

Table 36. Belize: Retained Imports by SITC Category

	1990	1991	1992	1993	Prei. 1994	Est. 1995
<b>(In millions of U.S. dollars)</b>						
<b>Retained imports, c.i.f. 1/</b>	<b>210.0</b>	<b>221.1</b>	<b>242.2</b>	<b>264.8</b>	<b>233.3</b>	<b>241.9</b>
Re-exports	33.7	30.1	32.4	23.2	28.6	21.2
Gross imports, c.i.f. 1/	243.7	251.2	274.6	288.0	261.9	263.1
Food	41.9	36.9	40.9	36.4	35.7	39.6
Beverages and tobacco	4.0	3.4	3.1	3.9	3.7	2.4
Crude material	1.3	1.4	4.2	2.7	2.3	1.6
Mineral fuel	17.6	26.8	21.0	22.8	20.8	22.1
Oil and fats	0.5	0.6	1.9	1.5	1.6	1.7
Chemicals	22.0	21.3	24.1	31.4	26.1	27.4
Manufactured goods	41.4	46.4	47.2	56.0	51.5	50.4
Machinery	52.0	52.7	63.5	70.2	58.3	61.9
Miscellaneous manufactures	28.0	30.3	35.6	39.2	33.3	34.7
Miscellaneous	1.0	1.3	0.8	0.7	0.1	0.1
<b>(In percent of total retained imports)</b>						
<b>Retained imports, c.i.f.</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Food	20.0	16.7	16.9	13.8	15.3	16.4
Beverages and tobacco	1.9	1.6	1.3	1.5	1.6	1.0
Crude material	0.6	0.6	1.7	1.0	1.0	0.7
Mineral fuel	8.4	12.1	8.7	8.6	8.9	9.1
Oil and fats	0.2	0.2	0.8	0.6	0.7	0.7
Chemicals	10.5	9.6	9.9	11.9	11.2	11.3
Manufactured goods	19.7	21.0	19.5	21.2	22.1	20.8
Machinery	24.8	23.8	26.2	26.5	25.0	25.6
Miscellaneous manufactures	13.3	13.7	14.7	14.8	14.3	14.4
Miscellaneous	0.5	0.6	0.3	0.3	--	--
<b>Memorandum items:</b>						
<b>Retained Imports</b>						
Percent change	7.1	5.3	9.5	9.3	-11.9	3.7
Ratio to GDP (percent)	52.1	51.4	50.1	50.3	42.4	40.9
<b>Gross Imports</b>						
Percent change	13.0	3.1	9.3	4.9	-9.0	0.4
Ratio to GDP (percent)	60.5	58.4	56.8	54.7	47.6	44.4

Sources: Statistical Office; and Fund staff estimates.

1/ Includes imports through Parcel Post and unrecorded imports.

Table 37. Belize: Direction of Trade

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<b>(In millions of U.S. dollars)</b>						
<b><u>Domestic exports, f.o.b.</u></b>	<b><u>108.4</u></b>	<b><u>98.6</u></b>	<b><u>115.6</u></b>	<b><u>118.3</u></b>	<b><u>127.6</u></b>	<b><u>143.0</u></b>
United States	51.5	47.1	60.3	51.3	51.1	47.1
United Kingdom	34.8	28.1	31.7	45.0	48.8	65.9
Other EEC	1.4	2.9	5.8	4.3	6.1	14.3
Canada	5.6	3.8	3.6	7.9	10.2	6.7
Mexico	1.9	3.1	3.8	3.1	4.8	0.7
CARICOM	8.4	6.7	6.6	5.5	4.9	5.2
Other	5.1	7.0	4.0	1.4	1.7	3.1
<b><u>Total imports, c.i.f.</u></b>	<b><u>243.7</u></b>	<b><u>251.2</u></b>	<b><u>274.6</u></b>	<b><u>288.0</u></b>	<b><u>261.9</u></b>	<b><u>263.1</u></b>
United States	140.4	150.9	155.1	164.4	139.4	143.3
United Kingdom	20.0	20.2	23.2	20.7	19.9	17.2
Other EEC	17.4	22.2	18.8	12.8	10.8	10.9
Canada	5.6	5.8	5.5	5.8	6.0	7.9
Mexico	16.6	21.2	24.2	27.0	24.9	28.5
CARICOM	15.0	6.9	10.9	10.9	11.3	12.8
Other	28.8	24.1	37.1	46.6	49.6	42.5
<b>(In percent of total)</b>						
<b><u>Domestic exports, f.o.b.</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
United States	47.5	47.8	52.2	43.4	40.1	33.0
United Kingdom	32.0	28.5	27.4	38.0	38.3	46.1
Other EEC	1.2	2.9	5.0	3.6	4.8	10.0
Canada	5.1	3.8	3.1	6.7	8.0	4.7
Mexico	1.8	3.1	3.2	2.6	3.8	0.5
CARICOM	7.7	6.8	5.7	4.6	3.8	3.6
Other	4.7	7.0	3.4	1.1	1.3	2.2
<b><u>Total imports, c.i.f.</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>
United States	57.6	60.1	56.5	57.1	53.2	54.5
United Kingdom	8.2	8.0	8.4	7.2	7.6	6.5
Other EEC	7.1	8.8	6.8	4.4	4.1	4.1
Canada	2.3	2.3	2.0	2.0	2.3	3.0
Mexico	6.8	8.4	8.8	9.4	9.5	10.8
CARICOM	6.2	2.7	4.0	3.8	4.3	4.9
Other	11.8	9.6	13.5	16.2	18.9	16.2

Sources: Central Statistical Office; and Fund staff estimates.

Table 38. Belize: Terms of Trade

	1990	1991	1992	1993	Prel. 1994	Est. 1995
<u>(1984 = 100)</u>						
<u>Exports</u>						
Value	149.0	135.5	158.9	162.7	175.5	196.6
Volume	135.1	128.4	153.0	150.8	157.9	158.7
Export unit value <sup>1/</sup>	110.3	105.5	103.8	107.9	111.1	123.9
<u>Tourism</u>						
Value	281.6	283.5	377.8	425.6	451.9	491.0
Volume	223.8	216.3	284.5	317.2	334.0	354.0
Unit value <sup>2/</sup>	125.8	131.1	132.8	134.2	135.3	138.7
<u>Imports</u>						
Value	162.3	193.0	210.9	221.2	201.2	202.1
Volume	145.3	173.8	185.4	192.0	172.0	166.2
Unit value <sup>3/</sup>	111.7	111.0	113.8	115.2	116.9	121.6
<u>Terms of trade <sup>4/</sup></u>						
(including tourism)	<u>98.8</u>	<u>95.0</u>	<u>91.2</u>	<u>93.7</u>	<u>95.0</u>	<u>101.9</u>
	101.3	99.3	95.9	97.9	98.8	104.1
<u>(In percent change)</u>						
<u>Exports</u>						
Value	15.2	-9.1	17.3	2.4	7.8	12.0
Volume	12.6	-4.9	19.1	-1.5	4.8	0.5
Unit value	2.4	-4.4	-1.6	3.9	2.9	11.5
<u>Tourism</u>						
Value	-1.3	0.7	33.3	12.6	6.2	8.6
Volume	-6.4	-3.4	31.6	11.5	5.3	6.0
Unit value	5.4	4.2	1.3	1.0	0.8	2.5
<u>Imports</u>						
Value	-2.0	18.9	9.3	4.9	-9.1	0.5
Volume	-8.8	19.6	6.6	3.6	-10.4	-3.4
Unit value	7.4	-0.6	2.5	1.2	1.5	4.0
<u>Terms of trade</u>						
(including tourism)	<u>-4.7</u>	<u>-3.8</u>	<u>-4.0</u>	<u>2.7</u>	<u>1.4</u>	<u>7.2</u>
	-4.1	-2.0	-3.4	2.0	1.0	5.4

Source: Central Bank of Belize; and Fund staff estimates.

<sup>1/</sup> Unit export price is a Laspeyres index of major exports which account for 90 percent of domestic exports.

<sup>2/</sup> Tourist expenditure survey of 1992 was adjusted by the CPI.

<sup>3/</sup> Calculated using the implicit deflator for imports from national accounts for 1990-93, and WEO projections from 1994 on.

<sup>4/</sup> Export unit value divided by import unit value.



Table 39. Belize: External Debt by Creditor and Borrowing Agencies

	1990	1991	1992	1993	Prel. 1994	Est. 1995
(In millions of U.S. dollars)						
<u>Amount outstanding (end-of-period)</u>	<u>132.9</u>	<u>150.4</u>	<u>149.7</u>	<u>167.9</u>	<u>180.4</u>	<u>191.3</u>
<b>By creditor</b>						
<u>Multi and bilateral total</u>	<u>116.5</u>	<u>125.3</u>	<u>121.8</u>	<u>124.0</u>	<u>137.6</u>	<u>151.6</u>
Caribbean Development Bank	31.5	29.5	28.1	27.5	27.3	32.5
European Economic Community	7.9	11.1	10.5	9.9	14.0	15.2
World Bank	14.6	18.6	18.9	20.0	25.2	33.1
United Kingdom Gov.	24.8	25.2	22.1	22.8	25.1	24.6
United States Gov.	26.4	26.5	26.4	26.1	25.9	25.0
Commonwealth Dev. Corporation	5.2	4.3	2.8	2.1	1.6	1.6
Venezuela (FIVEN & FINEXPO)	--	0.3	1.9	3.5	4.7	3.7
Mexico (PEMEX)	--	--	--	--	--	0.6
Opec	1.1	1.2	1.2	1.2	1.1	1.2
China	2.1	3.1	0.6	0.4	0.4	0.4
International Monetary Fund	0.4	--	--	--	--	--
Int'l. Fund for Agricultural Dev.	0.7	0.6	1.2	1.4	1.5	1.6
Govt. of Spain	--	--	--	--	3.1	2.9
Taiwan Housing Construction Proj.	1.8	5.0	8.2	9.0	7.8	9.2
<u>Other</u>	<u>16.4</u>	<u>25.1</u>	<u>27.9</u>	<u>43.9</u>	<u>42.7</u>	<u>39.7</u>
Banks	14.4	19.2	16.9	22.2	19.2	17.2
Suppliers	2.0	5.9	11.0	21.7	23.5	22.5
<b>By debtor</b>						
<u>Nonfinancial public sector</u>	<u>110.4</u>	<u>125.4</u>	<u>127.4</u>	<u>147.0</u>	<u>161.5</u>	<u>171.8</u>
Central government	79.0	92.2	104.6	126.6	143.2	151.8
Rest of nonfinancial public sector	31.4	33.2	22.8	20.4	18.3	19.9
Belize Electricity Board	11.5	11.8	11.4	9.2	8.4	12.2
Telecommunication Authority	9.3	7.5	--	--	--	--
Banana Control Board	2.6	0.8	0.5	--	--	--
Port Authority	6.8	6.2	5.5	4.8	4.4	3.9
Other	1.2	6.9	5.4	6.4	5.5	3.9
<u>Financial public sector</u>	<u>22.5</u>	<u>25.0</u>	<u>22.4</u>	<u>20.9</u>	<u>18.9</u>	<u>19.5</u>
(In percent of total)						
<b>By creditor</b>						
Multi and bilateral	87.6	83.3	81.4	73.9	76.3	79.3
Other	12.4	16.7	18.6	26.1	23.7	20.7
<b>By debtor</b>						
Nonfinancial public sector	83.1	83.4	85.1	87.6	89.5	89.8
Central Government	59.4	61.3	69.9	75.4	79.4	79.4
Rest of nonfinancial public sector	23.6	22.1	15.2	12.2	10.1	10.4
Financial public sector	16.9	16.6	15.0	12.4	10.5	10.2

Source: Central Bank of Belize; and Fund staff estimates.

Table 40. Belize: Indices of Effective Exchange Rates <sup>1/</sup>  
(Indices 1980 = 100)

	Nominal Effective Exchange Rate	Real Effective Exchange Rate <sup>2/</sup>
<b>Quarterly averages</b>		
1990 -I	159.9	104.1
II	165.2	104.1
III	163.2	100.1
IV	162.7	97.7
1991 -I	165.6	98.7
II	173.3	102.7
III	175.2	103.8
IV	173.7	101.3
1992 -I	176.8	101.4
II	177.4	100.4
III	175.3	97.6
IV	186.7	101.9
1993 -I	193.8	104.0
II	194.7	102.2
III	201.1	103.1
IV	206.0	103.8
1994 -I	210.4	101.0
II	212.7	98.6
III	210.8	95.9
IV	209.4	94.5
1995 -I	208.5	94.0
II	205.5	92.8
III	207.9	93.7
IV	209.5	94.5
<b>Annual average</b>		
1990	162.8	101.5
1991	172.0	101.6
1992	179.1	100.3
1993	198.9	103.3
1994	210.8	97.5
1995	207.8	93.8

Sources: IMF Information Notice System.

<sup>1/</sup> Trade weighted; an increase (decrease) indicates appreciation (depreciation).

<sup>2/</sup> Nominal exchange rate deflated by seasonally adjusted relative consumer prices.