

INTERNATIONAL MONETARY FUND



Staff Country Reports

Belize: Selected Issues and Statistical Appendix

This Selected Issues paper and Statistical Appendix for **Belize** was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on **March 10, 2004**. 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.

The policy of publication of staff reports and other documents by the IMF allows for the deletion of market-sensitive information.

To assist the IMF in evaluating the publication policy, reader comments are invited and may be sent by e-mail to publicationpolicy@imf.org.

Copies of this report are available to the public from

International Monetary Fund • Publication Services
700 19th Street, N.W. • Washington, D.C. 20431
Telephone: (202) 623 7430 • Telefax: (202) 623 7201
E-mail: publications@imf.org • Internet: <http://www.imf.org>

Price: \$15.00 a copy

International Monetary Fund
Washington, D.C.

This page intentionally left blank

INTERNATIONAL MONETARY FUND

BELIZE

Selected Issues and Statistical Appendix

Prepared by a Team Consisting of Bernhard Fritz-Krockow (Head),
Irineu De Carvalho, Eva Jenkner, and Pau Rabanal (all WHD)

Approved by the Western Hemisphere Department

March 10, 2004

| | Contents | Page |
|--------|--|--------------------|
| | Basic Data | 3 |
| I. | The Foreign Exchange System in Belize | 5 |
| A. | Parallel Market Exchange Rate..... | 5 |
| B. | Transaction Volume in the Parallel Market | 7 |
| C. | Foreign Exchange Houses..... | 7 |
| II. | The Financial System in Belize | 12 |
| A. | Overview..... | 12 |
| B. | The Banking System | 12 |
| C. | Insurance | 17 |
| D. | Supervisory Challenges..... | 18 |
| | Figures | |
| I. 1. | Parallel Premium..... | 9 |
| I. 2. | Tourism Receipts and Official Transfers | 9 |
| I. 3. | Trade Statistics..... | 9 |
| I. 4. | Central Government Revenue, Expenditure, and Balance..... | 9 |
| I. 5. | Public and Publicly Guaranteed Debts..... | 9 |
| I. 6. | Monetary Indicators | 9 |
| I. 7. | Volume of Transactions in the Parallel Market | 10 |
| I. 8. | Volume of Transactions in the Parallel Market vs. Parallel Premium..... | 10 |
| I. 9. | Relative Volume of Transactions in the Parallel Market and the Parallel Premium | 10 |
| I. 10. | Volume of Transactions in the Parallel Market | 10 |
| II. 1. | Sectoral Distribution of Loans | 16 |

Tables

| | |
|---|--------------------|
| 1. Selected Economic Indicators | 20 |
| 2. Sectoral Origin of Real Gross Domestic Product | 21 |
| 3. National Accounts at Current Prices | 22 |
| 4. Savings and Investment | 23 |
| 5. Main Agricultural Crops, Acreage, and Production..... | 24 |
| 6. Agriculture and Forestry Production..... | 25 |
| 7. Cane Deliveries to the Sugar Factories, Cane Prices, Sugar and Molasses Production..... | 26 |
| 8. Production and Exports of Marine Fish Products | 27 |
| 9. Industrial Production..... | 28 |
| 10. Indices of Industrial Products..... | 29 |
| 11. Consumer Price Index | 30 |
| 12. Average Prices for Selected Products and Services | 31 |
| 13. Price Structure of Petroleum Products | 32 |
| 14. Consolidated Operations of the Nonfinancial Public Sector (In percent of GDP) | 33 |
| 15. Consolidated Operations of the Nonfinancial Public Sector (In millions of Belize dollars)..... | 34 |
| 16. Operations of the Central Government | 37 |
| 17. Central Government Revenue..... | 38 |
| 18. Central Government Revenue..... | 39 |
| 19. Central Government Expenditure | 40 |
| 20. Central Government Expenditure | 41 |
| 21. Operations of the Social Security Board..... | 42 |
| 22. Operations of the Nonfinancial Public Enterprise | 43 |
| 23. Civil Service Indicators..... | 44 |
| 24. Summary Accounts of the Financial System | 45 |
| 25. Detailed Accounts of the Financial System | 46 |
| 26. Interest Rates..... | 50 |
| 27. Treasury Securities by Holder..... | 51 |
| 28. Sectoral Distribution of Credit to the Private Sector | 52 |
| 29. Commercial Banks' Liquidity Position | 53 |
| 30. Balance of Payments..... | 54 |
| 31. Principal Domestic Exports | 55 |
| 32. Domestic Exports by Standard..... | 56 |
| 33. Retained Imports by Standard International..... | 57 |
| 34. Sugar Exports by Destination | 58 |
| 35. Visitor Arrivals | 59 |
| 36. Direction of Trade..... | 60 |
| 37. Public and Publicly Guaranteed Debt | 61 |
| 38. External Debt by Creditor and Borrowing Agency..... | 62 |
| 39. Indices of Effective Exchange Rate | 63 |

Belize: Basic Data

I. Social and Demographic Indicators

| | | | |
|--|--------|---|---------|
| Area (sq. km) | 22,960 | Access to safe water (most recent year) | |
| Arable land (percent of land area, 1996) | 3 | Percent of population | |
| | | Urban (1999) | 100.0 |
| | | Rural (1999) | 69.0 |
| Population (most recent year) | | Education (most recent year) | |
| Total (in thousands, end-2003) | 258 | Adult literacy rate, in percent (1998) | 75.5 |
| Annual rate of growth, recent period (percent a year, 2000) | 4.2 | Gross enrollment rates, in percent | |
| Density (per sq. km., 2003) | 11.2 | Primary education (1994) | 121 |
| GDP per capita in US\$ (2001) | 3,520 | Secondary education (1994) | 49 |
| | | Tertiary education (1996) | 1 |
| Population characteristics (most recent year) | | GDP (millions of Belize dollars, 2001) | 1,747.6 |
| Life expectancy at birth (in years, 2000) | 74 | GDP (millions of U.S. dollars, 2001) | 873.8 |
| Crude birth rate (per thousand, 1997) | 32 | | |
| Crude death rate (per thousand, 1997) | 5 | | |
| Infant mortality (per thousand live births, 2000) | 30.8 | | |
| Under 5 mortality rate (per thousand, 2000) | 37.6 | | |
| Health (most recent year) | | | |
| Population per physician (1998) | 1,538 | | |
| Population per hospital bed (1998) | 435 | | |
| Population per nurse (1998) | 592 | | |

II. Economic Indicators, 1998–2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------|------|------|------|------|
| (In percent of GDP) | | | | | |
| Origin of GDP | | | | | |
| Agriculture, fishing and mining | 15.4 | 15.7 | 15.6 | 14.9 | 14.5 |
| Secondary Activities | 16.1 | 16.1 | 17.9 | 16.9 | 16.5 |
| Services | 58.0 | 57.6 | 56.7 | 58.3 | 59.8 |
| Other | 10.5 | 10.6 | 9.8 | 9.8 | 9.2 |
| (Annual percentage changes, unless otherwise indicated) | | | | | |
| National accounts and prices | | | | | |
| Real GDP | 3.7 | 8.7 | 12.1 | 4.9 | 4.3 |
| Real GDP per capita | -0.6 | 8.7 | 7.6 | 2.8 | 2.2 |
| GDP deflator | 1.6 | -2.3 | 1.2 | -0.5 | 2.5 |
| Consumer price index (period average) | -0.8 | -1.2 | 0.6 | 1.2 | 2.3 |
| Consumer price index (end of period) | -0.9 | -1.0 | 0.7 | 0.9 | 3.2 |
| Unemployment rate (in percent) | n.a. | 12.8 | 11.1 | 9.3 | ... |
| (Ratios to GDP) | | | | | |
| Gross domestic investment | 19.0 | 24.5 | 29.6 | 24.8 | 23.9 |
| <i>Of which:</i> public investment | 12.1 | 12.9 | 14.6 | 14.9 | 12.8 |
| Gross national savings | 13.0 | 14.8 | 10.9 | 6.8 | 6.7 |
| External savings | 6.0 | 9.7 | 18.7 | 18.0 | 17.2 |
| Private consumption | 71.4 | 73.6 | 79.3 | 80.8 | 77.4 |
| Public consumption | 14.0 | 14.1 | 12.7 | 13.0 | 12.7 |
| Public finances (fiscal year, beginning April) | | | | | |
| Central government | | | | | |
| Total revenue | 24.1 | 22.5 | 22.3 | 24.7 | 22.8 |
| Total expenditure | 27.9 | 31.1 | 31.3 | 34.3 | 31.7 |
| <i>Of which:</i> interest | 1.9 | 2.0 | 2.4 | 3.0 | 3.9 |
| Current savings | 2.3 | 1.3 | 2.6 | 3.6 | 2.3 |
| Overall balance | -4.1 | -5.6 | -9.7 | -9.8 | -9.6 |
| Central government borrowing requirement | 4.1 | 5.6 | 6.2 | 9.5 | 7.1 |
| Nonfinancial public sector | | | | | |
| Overall balance | -9.6 | -9.3 | -9.4 | -6.7 | -2.3 |
| Public sector borrowing requirement | 6.1 | 9.0 | 6.9 | 6.5 | 1.5 |

Belize: Basic Data

II. Economic Indicators, 1998–2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------|--------|--------|--------|---|
| (12-month percentage changes, unless otherwise indicated) | | | | | |
| Money and credit 1/ | | | | | |
| Liabilities to private sector | 8.4 | 12.6 | 15.6 | 9.3 | 3.2 |
| Of which: money and quasi money | 8.3 | 10.8 | 15.3 | 7.6 | 0.2 |
| Quasi money | 6.6 | 8.0 | 10.3 | 4.6 | 2.3 |
| Net domestic assets of the banking system 2/ | 13.1 | 4.0 | 22.0 | 24.8 | -7.7 |
| Of which | | | | | |
| Credit to the public sector (net) | 4.4 | -6.8 | -5.9 | 7.1 | -19.8 |
| Credit to the private sector | 10.4 | 7.4 | 22.3 | 16.5 | 18.6 |
| Money and quasi-money | 8.3 | 10.8 | 15.3 | 7.6 | 0.2 |
| Average lending rate (in percent) | 16.5 | 16.3 | 16.0 | 15.4 | 15.2 |
| (In millions of U.S. dollars, unless otherwise indicated) | | | | | |
| Balance of payments 3/ | | | | | |
| Current account | -41.4 | -71.1 | -155.4 | -156.5 | -159.8 |
| Merchandise trade balance | -132.6 | -101.3 | -170.1 | -186.7 | -190.9 |
| Exports | 194.4 | 264.8 | 291.5 | 273.8 | 307.0 |
| Imports | -327.0 | -366.1 | -461.6 | -460.5 | -497.9 |
| Services and transfers (net) | 84.4 | 32.8 | 17.3 | 38.4 | 52.8 |
| Of which: public sector interest payments | -13.2 | -16.6 | -27.8 | -43.8 | -54.3 |
| Capital and financial account | 28.1 | 98.4 | 207.1 | 146.0 | 160.3 |
| Direct investment and portfolio | 13.5 | 32.4 | 23.3 | 23.4 | 24.8 |
| Other capital (net) | 7.3 | 30.9 | 3.7 | 15.7 | 65.0 |
| Other private 4/ | 7.4 | 35.1 | 180.0 | 106.9 | 70.5 |
| Change in net international reserves (- increase) | 13.3 | -27.3 | -51.7 | 10.5 | -0.5 |
| Exports (in percent of GDP) | 30.6 | 35.4 | 35.1 | 33.2 | 34.4 |
| Imports (in percent of GDP) | -51.5 | -49.0 | -55.6 | -55.9 | -55.9 |
| Current account (in percent of GDP) | -6.0 | -9.7 | -18.7 | -18.0 | -17.2 |
| Merchandise exports (in US\$, annual percentage change) | ... | ... | 5.8 | -0.7 | 12.1 |
| Merchandise imports (in US\$, annual percentage change) | ... | ... | 38.3 | -1.2 | 8.1 |
| Terms of trade (annual percentage change) | -2.7 | 3.8 | -6.6 | 4.0 | 0.8 |
| Real effective exchange rate (12-month percentage change) 5/ | -0.3 | -2.5 | 1.4 | 1.9 | -0.7 |
| International reserve position and external debt | | | | | |
| Gross official reserves | 37.2 | 64.2 | 114.7 | 104.2 | 106.2 |
| (in months of imports) | n.a. | 0.4 | 0.2 | 0.3 | 1.7 |
| Available gross official reserves 6/ | 37.2 | 14.7 | 11.5 | 16.0 | 90.5 |
| Net official reserves | 35.0 | 62.2 | 113.9 | 102.8 | 103.3 |
| Outstanding external debt, in percent of GDP 7/ | 31.8 | 48.2 | 65.6 | 75.6 | 86.2 |
| Total debt service ratio (in percent of exports of GNFS) 8/ | 6.9 | 5.7 | 8.3 | 10.8 | 20.1 |
| IMF data (August 16, 2002) | | | | | |
| Membership status: | | | | | Article VIII |
| Intervention currency and rate | | | | | U.S. dollar at BZ\$2.00 per U.S. dollar |
| Quota | | | | | SDR 18.8 million |
| Fund holdings of Belizean dollars | | | | | SDR 14.6 million |
| (as percent of quota) | | | | | 77.5 percent |
| Outstanding purchases and loans | | | | | none |
| SDR department | | | | | |
| Net cumulative allocation | | | | | none |
| Holdings | | | | | SDR 1.56 million |

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

1/ Includes banking system only.

2/ Annual changes, as percent of liabilities to private sector at the beginning of period.

3/ Change in balance of payments methodology starting in 1999.

4/ Includes errors and omissions.

5/ Net of CBB collateral deposits in creditor banks.

6/ End of period. An increase (decrease) indicates appreciation (depreciation).

7/ Public debt and publicly guaranteed debt.

8/ Central government external debt.

I. THE FOREIGN EXCHANGE SYSTEM IN BELIZE¹

A. Parallel Market Exchange Rate

1. In May 1976, Belize broke its long-standing link to the British pound and pegged the Belizean dollar to the U.S. dollar at the rate of BZ\$2 to US\$1. This change followed the breakdown of the Bretton Woods exchange rate system in the 1970s, and reflected a recognition of the growing importance of trade relations with the United States.

2. Nonetheless, as in many other countries operating under fixed pegs (see e.g., Kiguel et al., 1997), an illegal parallel market for foreign exchange also appeared in Belize. In the case of Belize, its emergence and continued existence can be attributed to the pervasive exchange controls (mainly surrender requirements for export proceeds and current and capital account controls), attempts to avoid banking fees, as well as the prevalence of cash transactions in the tourist sector. More fundamentally, pressures on the balance of payments, fueled by large fiscal deficits in recent years, caused the exchange rate spread to widen and created additional incentives for export proceeds to move to the parallel market.

3. We can distinguish four major periods in the development of the parallel exchange rate in Belize after the parity change in 1976 (Figure 1).

The parallel rate before 1982

4. During the 1976–81 period, political uncertainties related to the long-standing territorial dispute with Guatemala began to dissipate, especially in 1979, when the prospect of a military conflict with Guatemala faded and independence drew near. As a consequence, the demand for U.S. dollars as a safe heaven eased the supply of foreign exchange from both the revived tourism industry and official transfers increased (Figure 2), and the premium in the parallel market narrowed. However, fiscal deficits rose from 0.7 percent of GDP in 1978 to 2.8 percent in 1982, reflecting import demand (Figure 3). The current account balance deteriorated turned from a surplus of 0.7 percent of GDP in 1978 to a deficit of 2.4 percent of GDP in 1981, pressuring the currency in the parallel market in the subsequent period.

Depreciation of the parallel rate between 1982–87

5. In 1982, Belize's trade competitiveness declined sharply due to the devaluation of the Mexican peso by 73 percent vis-à-vis the US dollar and a sharp fall in international prices for Belize's main export commodities. This led to a 20 percent drop in export values in 1982, while the external current account deficit increased to 10.3 percent of GDP. As a result of the trade shock, the parallel rate depreciated by 13 percent. Although the current account position improved slightly in the two following years, with the deficit narrowing to 1.9 percent of

¹ Prepared by Emilia Jurzyk.

GDP, capital inflows and net international reserves fell by over US\$12 million during 1982–84. This contributed to a depreciation of the parallel rate by BZ\$3.13 per US\$1 by end-1984, resulting in a spread of 57 percent.

6. The devaluation of the Mexican peso and the authorities' policy response to the exogenous shock also had a significant impact on the fiscal balance in Belize (Figures 4 and 5). As imports moved away from official channels, import taxes and transshipment fees fell sharply, while the government did not succeed in containing expenditure (mainly due to an increase in transfers to the Electricity Board, which could not cover its costs for the imports of fuel from Mexico). As a result, the fiscal deficit increased to 7.2 percent of GDP in 1982, while public and publicly guaranteed debt rose to 32.1 percent of GDP. Although the authorities managed to reduce the fiscal deficit to 5.2 percent of GDP in 1983, this was not sufficient to reverse the debt dynamics or reduce the foreign borrowing requirement, threatening the sustainability of the fixed peg and making further and sharper adjustment policies unavoidable.

7. In 1984, the government implemented measures to strengthen the public finances and shore up the balance of payments with the support of an IMF standby agreement. A major tax package, implemented in mid-1984, included increases in taxes on beverages, stamp taxes, as well as a new tax on foreign exchange transactions. On the expenditure side, the government committed itself to reducing current expenditure by about 1.5 percent of GDP. The decrease in the fiscal imbalance and the return to an external current account surplus reversed the depreciation of the parallel rate and helped prevent the collapse of the exchange rate regime.²

Appreciation and stability of the parallel rate between 1988–95

8. Over the 1988–1995 period, the parallel premium narrowed further, notwithstanding a deterioration in the external current account and expansionary fiscal and monetary policies, due to substantial sales of foreign exchange by the central bank (Figures 4 and 6). The fiscal position began to deteriorate in 1991 and the fiscal deficit reached 7.7 percent of GDP in 1992. Although remedial revenue and expenditure measures were taken, which brought the deficit back to 2.8 percent of GDP in 1995, the growth of public debt remained significant. During the period, substantial sales of foreign exchange by the central bank helped to contain the parallel market spread at around 5 percent, but at the cost of falling international reserves.

² The adjustment in demand policies led to a decline in the parallel premium from 67 percent in 1987 to 24 percent in 1988. Fiscal adjustment resulted in a budget surplus of 9 percent of GDP and a reduction of public debt to 39 percent of GDP by 1988. Moreover, a sharp improvement in tourist receipts and large FDI inflows in the areas of telecommunication, agriculture, and tourism contributed to the increase in the supply of foreign exchange.

Stability and depreciation between 1995–2001

9. After 1995, the fiscal position of the government deteriorated again. The new government, which came to power in 1999, decided to boost growth through further expansionary fiscal and monetary policies. Fueled by public sector demand and the demand impact of the lending activities of the DFC, imports increased sharply and central bank reserves fell. The central bank was forced to ration foreign exchange, making foreign exchange available only for importers of essential goods and services. As a result, the amount of transactions conducted outside of official channels increased and the parallel rate started depreciating. To prevent a rapid collapse of the currency peg, the authorities began to borrow heavily abroad to finance the increased spending and the associated increase in import demand. Public and publicly guaranteed debt increased from 51 percent of GDP at end-1999 to 88 percent at end-2001.

B. Transaction Volume in the Parallel Market

10. To assess the importance of the parallel market in Belize, we estimated the volume of transactions taking place outside of the official channels between 1990 and 2001. To do so, we compared the volume of foreign exchange transactions reported by the commercial banks with the amounts of inflows and outflows of foreign currency recorded in the balance of payments (Figure 7).³

11. In general, the volume of transactions in the parallel market declined in the first half of the 1990s, and rose in the following years. Volumes fell from around 50 percent of GDP in the early 1990s to around 5 percent of GDP by the middle of the decade, before rising again to around 20 percent of GDP. The decline was related to the central bank's sales of foreign exchange in the official market, which were aimed at preserving the fixed peg and in the light of the government's expansionary fiscal policy. In the second half of the 1990s, as the shortages of foreign exchange became more pronounced, both the parallel market premium and the volume of transactions increased (Figure 8).

C. Foreign Exchange Houses

12. In 2002, in an attempt to recapture parallel market transactions within official channels, the government allowed the establishment of 11 foreign exchange houses (*cambios*). These are allowed to buy and sell foreign currency from the tourist industry at a rate different from the official one, with certain restrictions applying to both the exchange rate and the volume of transactions.⁴ Their very existence, however, constitutes a partial

³ The difference between data is related mainly to the fact that foreign exchange transactions are recorded by the banking system while exports and imports are recorded by customs.

⁴ *Cambios* cannot trade at a rate of more than BZ\$2.15/US\$ or buy or sell in one transaction or in related transactions more than US\$10,000 a day.

abandonment of the fixed peg regime and the introduction of a multiple currency practice. In addition, this step was widely perceived as a decriminalization of the parallel market. This led to an increase in the transparency of the parallel market transactions and to the integration of the wide number of informal and disconnected parallel foreign exchange markets that existed until that time. This happened despite the fact that the volume of transactions officially registered by the *cambios* remained very small.

13. The introduction of a multiple currency practice raises a number of concerns. Exchange rate regimes where a legal or decriminalized parallel market exists alongside of the official market tend to encourage fraudulent behavior and the prevention of illegal shifting of funds between the two markets and, require costly monitoring by the authorities (Agenor and Flood, 1992; Kiguel and O'Connell, 1995). Moreover, these systems create incentive for rent-seeking, as various interest groups are likely to pressure the authorities to secure access to foreign exchange at the official (i.e., pegged) rate. Since the parallel rate is usually more depreciated than the official one, a dual regime is also likely to harm exporters that have to sell the export proceeds at the official rate while benefiting importers with access to the foreign exchange at the official rate. Exporters are otherwise likely to divert the foreign exchange to the parallel market, either directly by selling to importers or foreign exchange intermediaries, or by introducing special banking fees.

Figure 1. Parallel Premium, 1976-2001
(In percent over the official exchange rate)

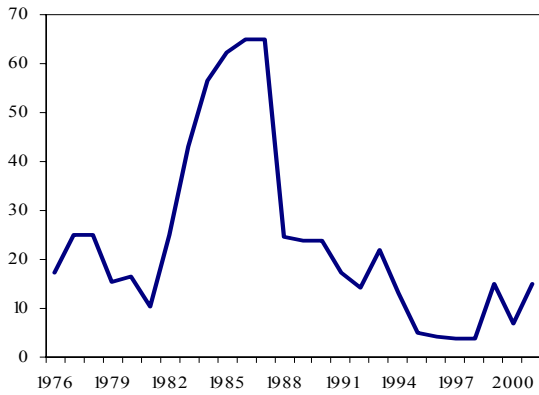


Figure 2. Tourism Receipts and Official Transfers, 1978-2001
(In US\$ millions)

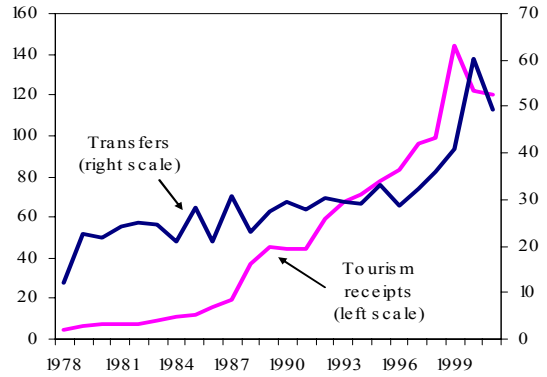


Figure 3. Trade Statistics, 1978-2001
(In percent of GDP)

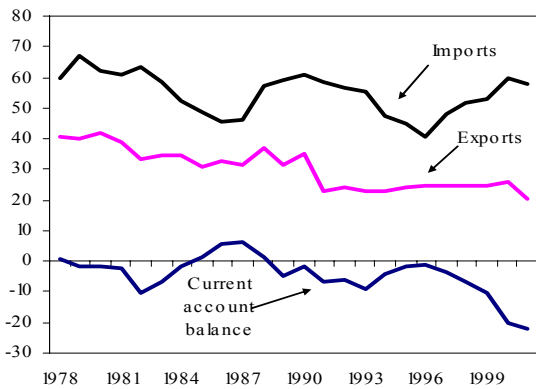


Figure 4. Central Government Revenue, Expenditure, and Balance, 1978-2002
(In percent of GDP)

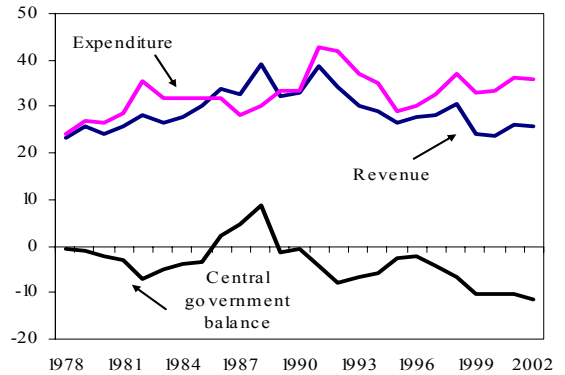


Figure 5. Public and Publicly Guaranteed Debt, 1978-2002
(In percent of GDP)

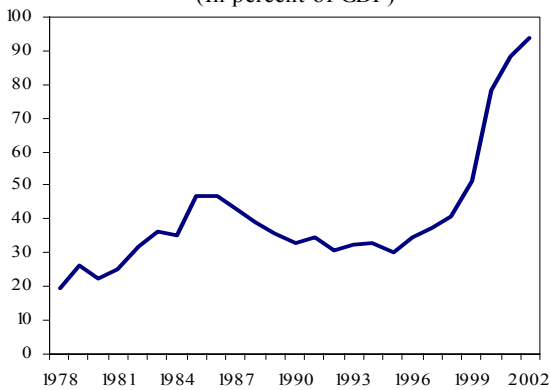
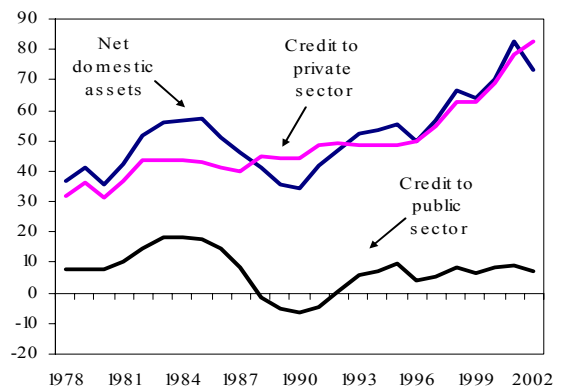


Figure 6. Monetary Indicators, 1978-2002
(In percent of GDP)



Sources: International Currency Analysis, Inc., World Currency Yearbook; and IMF Recent Economic Development (various issues).

Figure 7. Volume of Transactions in the Parallel Market, 1990-2001
(In US\$ millions)

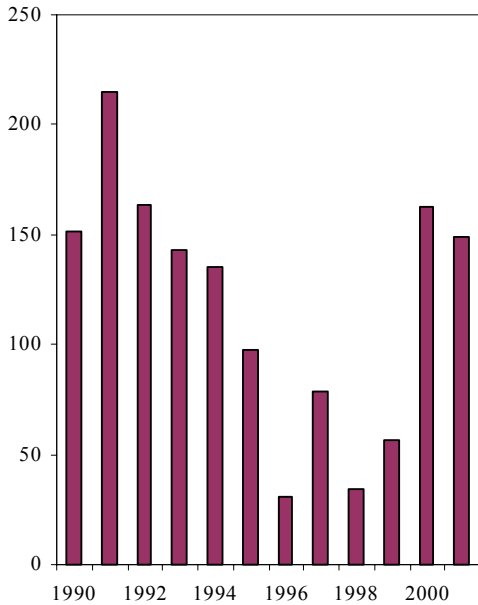


Figure 8. Volume of Transactions in the Parallel Market vs. Parallel Premium, 1990-2001

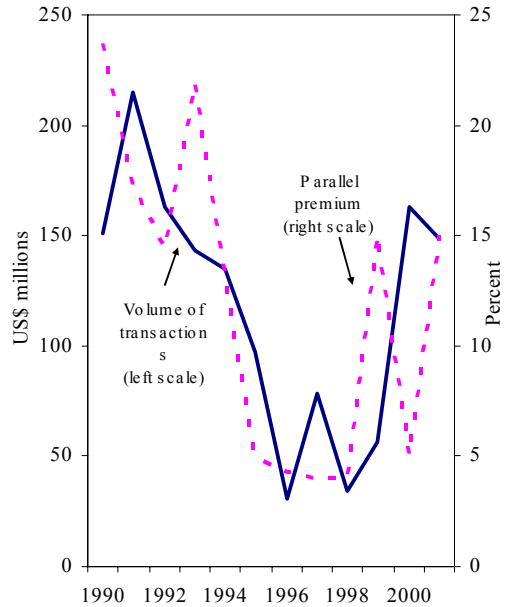


Figure 9. Relative Volume of Transactions in the Parallel Market and the Parallel Premium, 1990-2001

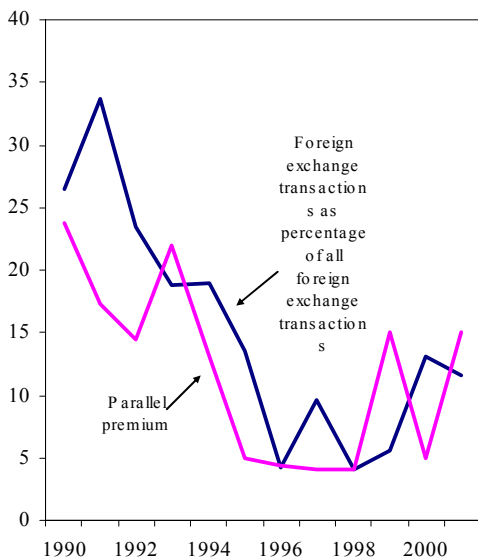
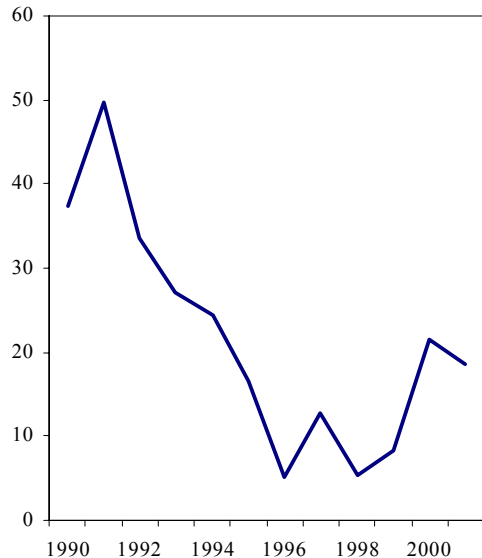


Figure 10. Volume of Transactions in the Parallel Market, 1990-2001
(In percent of GDP)



Sources: Central Bank of Belize; IMF Recent Economic Developments (various issues); International Currency Analysis, Inc., World Currency Yearbook; and author's and Fund staff estimates.

References

- Agenor, Pierre-Richard and Robert Flood, 1992, "Unification of Foreign Exchange Markets," *IMF Staff Papers*, Vol. 34, no. 4, pp. 923–947.
- Clarke, Laurence and Donna Dadds, (eds.), 1997, "The Financial Evolution of the Caribbean Community 1970–96," (Port-of-Spain: Caribbean Centre for Monetary Studies).
- Dornbusch, Rudiger, "Special Exchange Rates for Capital Transactions," *The World Bank Economic Review*, Vol. 1, no. 1, pp. 3–33.
- Kiguel, Miguel and Stephen A. O'Connell, 1995, "Parallel Exchange Rates in Developing Countries," *The World Bank Research Observer*, Vol. 10, no. 1, pp. 21–52.
- Kiguel, Miguel, Saul Lizondo and Stephen O'Connell, (eds.), 1997, "Parallel Exchange Rates in Developing Countries," MacMillan Press.
- Worrell, DeLisle, Don Marshall and Nicole Smith, 2000, "The Political Economy of Exchange Rate Policy in the Caribbean," IADB Working Paper no. R-401.

II. THE FINANCIAL SYSTEM IN BELIZE⁵

A. Overview

14. **This chapter provides a brief overview of the financial system in Belize and reviews some of the key challenges facing the sector.**⁶ Overall, the system does not appear to face serious systemic risks: the banking system is well capitalized and, while the insurance sector, is exposed to natural catastrophes (hurricanes), it has been able to pass most of this risk offshore through reinsurance. Nonetheless, there remain challenges going forward:

- The supervisory regime in Belize is diffuse, with a large number of agencies having responsibility for sub-sectors, and supervisory agencies face difficulties in retaining qualified staff. In addition, the bank and insurance supervisors enjoy little operational independence.
- Prudential supervision is uneven, and systemically important sub-sectors in the system—e.g., a large public sector bank, building societies and credit unions—receive little supervision.
- The banking sector is relatively concentrated, and the small size of the economy means that banks have large single exposures.

15. **Encouragingly, steps have been taken to address a number of these issues.** Legislative measures are underway to update the provisions for supervision of domestic banking and insurance, while the Development Financial Corporation (DFC) has been placed under the supervision of the central bank effective January 2004. In addition, a variety of actions have been taken in the last three years to strengthen financial supervision and the AML/CFT regime. These include the creation of a Financial Intelligence Unit (FIU) in late 2002 and legislation to implement UN regulations with respect to terrorist financing.

B. The Banking System

16. **The banking sector in Belize is small.** It consists of five domestic commercial banks, seven international banks, and three quasi-government banks. At the end of 2002, assets of the domestic banking system totaled approximately BZ\$1,257 million (67 percent of GDP) and the international banks held additional assets of BZ\$296 million (15 percent of GDP). In addition, there are credit unions and building societies engaged in deposit taking

⁵ Prepared by Pau Rabanal (WHD).

⁶ The chapter is partly based on the 2001 Module 2 Offshore Financial Center (OFC) report and its subsequent 2003 update, both conducted by the IMF's Monetary and Financial Systems department (MFD).

and lending activities similar to banks, and the government-owned Development Finance Corporation (DFC).

17. **The domestic banking sector is highly concentrated.** Belize Bank Ltd. is responsible for 48 percent of the assets of the domestic banks. Domestic banks provide demand, savings, and term deposits, and make demand and term loans, including residential mortgages. Virtually all domestic banking activity is denominated in Belize dollars. Domestic banks avoid currency mismatches by lending in U.S. dollars only to firms with significant foreign currency receivables (exporters).

Table 1. Assets and Liabilities of Domestic and International Banks

(In thousands of Belize dollars)

| | Domestic | | | | International | |
|-----------------------------|----------------|------------------|------------------|------------------|----------------|----------------|
| | 1999 | 2000 | 2001 | 2002 | 2001 | 2002 |
| Assets | 909,730 | 1,004,203 | 1,181,273 | 1,257,179 | 203,128 | 296,032 |
| Liquid assets | 219,855 | 273,369 | 369,420 | 262,477 | 57,414 | 104,190 |
| Loans | 653,651 | 687,145 | 758,296 | 940,386 | 128,902 | 151,456 |
| Less: | | | | | | |
| Specific provisions | (8,703) | (12,186) | (14,056) | (12,815) | (6) | (6) |
| General provisions | (6,302) | (7,131) | (7,590) | (10,999) | (1,310) | (1,508) |
| Premises and equipment | 31,307 | 32,156 | 36,306 | 40,742 | 6,158 | 9,156 |
| Other securities | 2,660 | 3,259 | 6,149 | 10,523 | 10,928 | 31,222 |
| Other assets | 17,262 | 27,591 | 32,749 | 26,865 | 1,042 | 1,522 |
| Liabilities | 832,009 | 898,155 | 1,057,712 | 1,102,041 | 193,802 | 276,680 |
| Deposits | 785,791 | 866,030 | 1,005,524 | 1,060,324 | 187,712 | 264,208 |
| Other liabilities | 46,218 | 32,125 | 52,188 | 41,716 | 6,090 | 12,472 |
| Shareholder's equity | 77,721 | 106,046 | 123,562 | 155,139 | 9,322 | 19,354 |
| Share Capital | 30,098 | 30,098 | 33,098 | 42,970 | 6,732 | 11,934 |
| Reserves | 15,758 | 19,354 | 23,315 | 24,148 | 0 | 0 |
| Revaluation account | 695 | 695 | 695 | 695 | 0 | 0 |
| Unappropriated profits | 31,170 | 55,899 | 66,454 | 87,327 | 2,590 | 7,420 |

Source: Central Bank of Belize

18. **Foreign currency transactions are largely handled by international banks.**⁷

International banks are not allowed to take deposits or lend to Belizean residents but may take foreign currency deposits from and lend to firms operating in Export Processing Zones (EPZs), Commercial Free Zones (CFZs), and governmental agencies. Several of the smaller foreign owned international banks have common ownership with banks in neighboring countries (Costa Rica, Guatemala, and Honduras) and are primarily engaged in offering foreign currency deposits and offering foreign currency loan facilities to clients of the home country parallel bank.

19. **The Belize government has actively sought to develop an offshore financial sector since the early 1990s.** In addition to international banking, which falls under the supervision of the Central Bank, a variety of offshore investment vehicles are authorized, registered, or regulated by the International Financial Services Commission (IFSC).⁸ Tax exemptions, low registration costs, and a flexible trust law that facilitates asset protection trusts are among the advantages Belize offers as an offshore financial center. Legislation also provides for the formation and registration of international business companies (IBC).

20. **The banking system appears sound and profitable.** The Central Bank of Belize (CBB) sets the required capital adequacy ratio in accordance with the Basel Core Principles. For domestic banks the minimum ratio is 9 percent, while for international banks the minimum rate is 10 percent. In September 2003, the aggregate risk-weighted capital asset ratio (CAR) was 13.6 percent, and all banks complied with the legal requirement (Table 2). The domestic banks have a return on assets of 4.7 percent, and a return on equity of 37 percent, reflecting strong interest margins. Nonperforming loans held by domestic banks are also at a moderate level, having decreased from 5.5 percent of total loans in 1998 to 3.8 percent in 2003. Rules governing capital adequacy, loan classification and provisioning appear sound. However, the rise in the loan-to-deposit ratio in recent years has adversely affected the liquidity of commercial banks.

21. **Domestic banks have to conform to cash and liquidity requirements.** Banks must keep 6 percent of deposits in reserves at the CBB and a further 18 percent of deposits in liquid assets. However, certain loans may be counted as liquid assets implying a lower effective minimum level of liquidity.⁹ The penalty for not complying with the cash or the liquidity requirement is a monthly 10 percent fee on the shortfall, but this rule does not

⁷ This role was expanded as a result of the 2002 amendment to the International Banking Act.

⁸ These include offshore insurance, trusts, mutual funds, protected cell companies, partnerships, and limited life companies.

⁹ Residential mortgage loans are included in the ratio, despite the absence of a secondary market for mortgages.

appear to be applied rigorously. For example, a commercial bank recently fell short the cash requirement and was provided a loan by the central bank to cover the shortfall at an annualized rate of 11 percent.

Table 2: Main Financial Soundness Indicators of Domestic Commercial Banks 1/
(In percent)

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 2/ |
|--|-------|-------|-------|-------|-------|---------|
| Capital adequacy analysis | | | | | | |
| Primary capital/ assets | 7.90 | 8.47 | 10.49 | 10.40 | 12.28 | 12.79 |
| Equity/gross loans | 10.95 | 11.78 | 15.33 | 16.20 | 16.42 | 16.47 |
| Asset growth rate | 6.26 | 10.94 | 10.38 | 17.63 | 6.43 | 4.76 |
| Capital growth rate | 2.80 | 18.96 | 36.77 | 16.63 | 25.70 | 8.56 |
| Capital/deposits | 9.22 | 9.80 | 12.16 | 12.22 | 14.57 | 15.88 |
| Asset quality | | | | | | |
| NPLs/ total loans | 5.51 | 5.38 | 6.20 | 4.46 | 3.87 | 3.71 |
| Provisions/NPLs | 45.3 | 42.7 | 45.3 | 64.0 | 65.5 | n.a. |
| Earnings analysis | | | | | | |
| Return on average assets | 2.48 | 3.23 | 5.13 | 4.61 | 4.66 | 3.21 |
| Return on equity | 30.47 | 36.25 | 46.59 | 41.03 | 36.77 | 25.86 |
| Net interest margin | 7.88 | 7.67 | 9.28 | 9.02 | 8.81 | 7.96 |
| Net interest income/Total operating income | 74.84 | 72.20 | 76.25 | 77.18 | 77.13 | 80.58 |
| Noninterest income/Total operating income | 25.16 | 27.80 | 23.75 | 22.82 | 22.87 | 19.42 |
| Liquidity Analysis | | | | | | |
| Deposit growth rate | 5.43 | 11.93 | 10.21 | 16.11 | 5.45 | 5.83 |
| Loans/Total assets | 72.09 | 71.85 | 68.43 | 64.19 | 74.80 | 77.64 |
| Net loans/Deposits | 82.92 | 82.08 | 77.94 | 74.02 | 87.48 | 94.14 |
| Liquid assets/Deposits | 27.70 | 27.98 | 31.57 | 36.74 | 24.75 | 25.68 |

Source: Central Bank of Belize.

1/ Includes the five domestic banks supervised by the FSSD and therefore does not include the DFC.

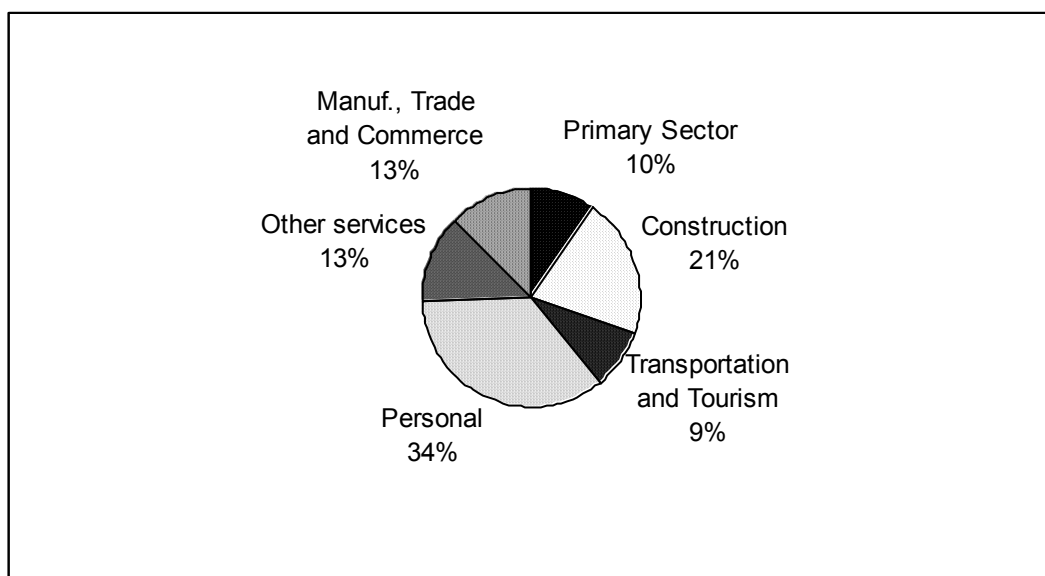
2/ Up to September 2003.

22. **Financial soundness indicators for international banks also appear solid.** The average risk-weighted CAR for international banks amounted to 15 percent at end-2003, and all banks were above the legal requirement of 10 percent. Moreover, the ratio of nonperforming loans over total loans remains negligible (0.84 percent) and was fully provisioned for with a ratio of provisions over NPL of 120 percent. International banks are not subject to any type of cash or liquidity requirement.

23. **Given the small size of Belize, banks have difficulty in diversifying their loan portfolio.** Prudential regulations require supervisory approval for loans in excess of 25 percent of capital, but all banks have significant single large exposures. Two of the banks have aggregate large exposures in excess of the legal limit of 600 percent of capital. About one third of bank credit is directed to personal loans (mainly consumption) (Figure 1). One fifth of bank credit is directed each toward construction (mostly mortgages) and export-generating industries (primary sector, transportation, and tourism).

Figure 1: Sectoral Distribution of Loans
(Commercial Banks, DFC and Credit Unions)

(In percent, end-2002 data)



Source: Central Bank of Belize.

24. **The Development Finance Corporation (DFC) faces significant strains.** The DFC provides a wide range of credit facilities to support development projects such as housing, housing mortgages, tourism facilities, transportation, infrastructure and education. The DFC is large in relation to the banking system, with total assets accounting for 26 percent of GDP, of which two-thirds correspond to loans, and one-third to assets held for resale (land, houses, and a soy mill). DFC funding is provided by credit facilities from international development agencies, the government, commercial borrowing, private placements, and government guaranteed foreign borrowing against its future cash-flow (securitizations). Although allowed to, the DFC does not accept deposits from the public. After a period of rapid expansion since 1998, DFC's NPL ratio amounts to around 24 percent, and the DFC is now undergoing restructuring and consolidation, and a downsizing of its balance sheet is planned for 2004 by selling part of the loan and fixed asset portfolio to international investors. The DFC has been placed under the oversight of the banking supervisor since January 2004.

25. **The private sector financial system also includes credit unions, building societies, and a domestic mutual fund.** As of March 2002, there were 15 registered credit unions with total assets of BZ\$238 million (14 percent of GDP). The largest credit union, Holy Redeemer, accounted for 75 percent of this total. The 2002 Credit Union Act introduced more detailed commercial and regulatory standards for credit unions, but credit unions are lightly supervised. Two building societies have been authorized, one of which is dormant.

26. **Foreign exchange houses (*cambios*) were authorized in 2002 in an effort to regularize parallel currency transactions.** A total of 14 *cambios* have been licensed, but they are limited to exchange transactions of up to US\$2,500 (up to US\$10,000 with Central Bank authorization), and are required to have premises, to maintain transactions records, and to file reports with the Central Bank. Tourism, worker remittances, pensions, and gifts appear to be the primary sources of foreign exchange for the *cambios*, while commercial firms appear to be the major purchasers of foreign exchange. Central Bank statistics indicate that turnover is only around US\$2 million per month, a relatively modest amount compared with the volume of transactions that remains in the unofficial parallel market.

C. Insurance

27. **There are 17 insurance firms and one underwriting association licensed to write insurance policies in Belize.** Six are life insurance companies, nine are general companies, and three are composites. Of these, two life insurance companies are closed to new business. There are no reinsurance companies operating within Belize and Belize insurers are wholly dependent on external reinsurers for cover. The domestic market is small; at the end of 2001 the industry had BZ\$89.3 million in assets (5.1 percent of GDP).

28. **The insurance sector has significant exposure to catastrophe losses (hurricanes) but most of this risk is passed offshore through reinsurance.** The industry's resilience to major claims, and the effectiveness of its reinsurance protection were tested by Hurricane Keith (October 1, 2000). Total claims arising from Keith amounted to BZ\$59.5 million (3.5 percent of GDP) of which only BZ\$7.4 million was retained in Belize. By December 31, 2002, all claims had been settled with no reported reinsurance nonperformance.

D. Supervisory Challenges¹⁰

29. **Financial supervision is entrusted to variety of agencies.** Supervision of banks, both domestic and international, is the responsibility of the Central Bank. Credit unions and building societies are registered by the Registrar of Credit Unions and the attorney general, respectively, but are not subject to systematic prudential oversight. The supervisor of insurance is an official of the Ministry of Finance and is responsible for supervision of domestic insurance companies under the Insurance Act. International insurance companies, subject to a separate International Insurance Act, are supervised by the Supervisor of International Insurance who operates under the International Financial Services Commission (IFSC). The Director General of the IFSC is currently the Supervisor of International Insurance. He is also an official of the Ministry of Finance and Home Affairs.¹¹ The Central Bank has authority to require reports from credit unions and from building societies, and to examine these entities. In September 2002, the Central Bank for the first time invoked its authority to examine the one active building society, and in 2004 it placed the DFC under its banking supervision.

30. **The supervisory and regulatory framework for commercial banks appears sound, but there is scope for improvement.** Legal and institutional arrangements give the Supervisor of Banks relatively little operational autonomy within the Central Bank or vis-à-vis the Minister, who retains legal authority to make decisions on licensing and enforcement matters. Recent amendments to the International Banking Act have reduced the role of the minister with respect to international banks and there is scope for similar provisions with respect to domestic banks. However, staff shortages hamper the Banking Supervisor's ability to implement on-site and off-site supervision. Moreover, there may be increased need for consolidation of the diverse supervision arrangements as international banks with foreign ownership become more active and as the ownership structures of all banks becomes more complex, with less clear-cut ability to rely on support from an overseas parent. Similarly, a more risk-based approach to supervision would be desirable as the financial system modernizes and becomes more internationalized.

31. **Domestic insurance supervision deals adequately with the products offered in Belize.** In general, the domestic insurance industry is small, risk averse, offers traditional and

¹⁰ The 2001 OFC assessment, with a Module 2 follow-up conducted in August 2003, observed that the domestic sector was generally better regulated than the offshore sector, but identified numerous weaknesses in financial supervision practices. This subsection reflects some of the assessment's recommendations.

¹¹ Supervision of nonbank offshore activities—international insurance, international mutual funds, IBCs, and trust and company service providers—is the responsibility of the IFSC. This Commission is a mixed private sector/public sector body.

simple products, and well disciplined as evidenced by sustained profitability despite recent high hurricane-related claims. Regulations and guidance are in place with respect to corporate governance, prudential controls, and market conduct, although several points should be updated.

32. **Nevertheless, there is some scope for improvement in insurance supervision.** Increasing the authority and independence of the Supervisor of Insurance—to include authority to take immediate action in urgent cases, or share information with other supervisory authorities—would improve the supervisor’s ability to respond quickly to crises. Both the business of international insurance and the supervision of international insurance business are embryonic. It would be desirable to unify regulation for domestic and offshore insurance supervision.

33. **A number of actions have been taken to improve the AML/CFT regime.** A Financial Intelligence Unit (FIU) was established in December 2002 with broad responsibility to investigate and prosecute financial crimes, function as the Supervisory Authority for the Money Laundering Prevention Act, ensure coordination among government departments, regulatory agencies, and private parties in the prevention and suppression of financial crimes, and to receive suspicious transactions reports, issue guidelines, and deal with legal assistance and exchange of information matters. Legislation has also been passed to implement UN regulations with respect to terrorist financing.

34. **There is some scope to strengthen the AML/CFT regime.** Currently, compliance with current AML/CFT measures are reviewed on a three-year cycle, although the banking supervisor is already considering moving to a two-year cycle. Furthermore, the FIU has been established with broad powers but careful consideration needs to be given to the mechanisms for the effective performance of its role. The FIU will be required to ensure coordination and cooperation between law enforcement agencies, government departments, regulatory authorities, private institutions and members of relevant professions to prevent and suppress financial crimes.

Table 1. Belize: Selected Economic Indicators, 1998-2002

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|------|-------|-------|-------|
| (Annual percentage changes, unless otherwise specified) | | | | | |
| National income and prices | | | | | |
| GDP at constant prices | 3.7 | 8.7 | 12.1 | 4.9 | 4.3 |
| Consumer prices (end of period) | -0.9 | -1.0 | 0.7 | 0.9 | 3.2 |
| External sector (U.S. dollars) | | | | | |
| Exports | ... | ... | 5.8 | -0.7 | 12.1 |
| Imports | ... | ... | 38.3 | -1.2 | 8.1 |
| Terms of trade (deterioration -) | -2.7 | 3.8 | -6.6 | 4.0 | 0.8 |
| Nominal effective exchange rate | 2.9 | 0.9 | 3.9 | 3.2 | -1.0 |
| Real effective exchange rate | -0.3 | -2.5 | 1.4 | 1.9 | -0.7 |
| Money and credit | | | | | |
| Net domestic assets 1/ | 13.1 | 4.0 | 22.0 | 24.8 | -7.7 |
| Credit to the private sector 2/ | 11.6 | 8.0 | 25.0 | 17.1 | 18.1 |
| Money and quasi-money (M2) | 8.3 | 10.8 | 15.3 | 7.6 | 0.2 |
| (In percent of GDP) | | | | | |
| Central government 3/ | | | | | |
| Revenue | 24.1 | 22.5 | 22.3 | 24.7 | 22.8 |
| Current expenditure | 19.3 | 19.2 | 17.6 | 19.1 | 19.1 |
| Capital expenditure | 8.5 | 11.9 | 13.7 | 15.2 | 12.6 |
| Primary balance | -2.2 | -3.6 | -7.3 | -6.7 | -5.8 |
| Overall balance | -4.1 | -5.6 | -9.7 | -9.8 | -9.6 |
| Privatization | 0.0 | 0.0 | 3.5 | 0.3 | 2.5 |
| Central government borrowing requirement | 4.1 | 5.6 | 6.2 | 9.5 | 7.1 |
| Foreign financing | 1.9 | 4.2 | 12.2 | 4.6 | 13.0 |
| Domestic financing | 2.2 | -0.3 | -6.2 | 4.9 | -5.9 |
| Gross domestic investment 4/ | 19.0 | 24.5 | 29.6 | 24.8 | 23.9 |
| Gross national savings 4/ | 13.0 | 14.8 | 10.9 | 6.8 | 6.7 |
| External current account 5/ | -6.0 | -9.7 | -18.7 | -18.0 | -17.2 |
| Public and publicly guaranteed debt 6/ | 38.6 | 53.1 | 71.6 | 83.4 | 88.0 |
| Domestic debt | 6.8 | 4.8 | 6.0 | 7.8 | 1.8 |
| External debt | 31.8 | 48.2 | 65.6 | 75.6 | 86.2 |
| Debt service 7/ | 3.4 | 3.3 | 4.5 | 5.6 | 10.9 |
| In percent of exports of goods and services | 6.9 | 5.7 | 8.3 | 10.8 | 20.1 |
| In percent of government current revenue | 15.5 | 15.8 | 22.5 | 26.1 | 46.7 |
| (In millions of U.S. dollars, unless otherwise specified) | | | | | |
| Overall balance of payments | -13.3 | 27.3 | 51.7 | -10.5 | 0.5 |
| Gross official reserves 8/ | 37.2 | 64.2 | 114.7 | 104.2 | 106.2 |
| Usable reserves 8/ | 37.2 | 14.7 | 11.5 | 16.0 | 90.5 |
| In percent of projected 12-month external public debt services | n.a. | 28.6 | 14.6 | 9.3 | 51.0 |
| In months of imports | n.a. | 0.4 | 0.2 | 0.3 | 1.7 |

Sources: Belize authorities; and Fund staff estimates and projections.

1/ In percent of liabilities to the private sector at the beginning of the period.

2/ Comprises credit by commercial banks and the Development Finance Corporation.

3/ Fiscal year starting on April 1.

4/ Official national income accounts likely overstate saving and investment flows.

5/ Including official grants.

6/ Public and publicly guaranteed external debt.

7/ Central government external debt.

8/ End of period.

Table 2. Belize: Sectoral Origin of Real Gross Domestic Product

(In thousands of Belize dollars at constant 2000 prices)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|------------------|------------------|------------------|------------------|------------------|
| GDP at constant factor cost | 1,189,100 | 1,292,100 | 1,457,000 | 1,519,300 | 1,585,600 |
| Primary activities | 210,500 | 232,700 | 259,800 | 260,700 | 263,300 |
| Agriculture and forestry | 165,100 | 175,400 | 188,600 | 185,600 | 192,400 |
| Fishing | 38,600 | 50,000 | 62,200 | 65,800 | 62,100 |
| Mining | 6,800 | 7,300 | 9,000 | 9,300 | 8,800 |
| Secondary activities | 219,400 | 239,600 | 298,700 | 296,100 | 301,300 |
| Manufacturing | 120,600 | 128,400 | 159,200 | 157,800 | 157,500 |
| Electricity and water supply | 47,700 | 51,600 | 56,700 | 56,900 | 58,200 |
| Construction | 51,100 | 59,600 | 82,800 | 81,400 | 85,600 |
| Services | 793,000 | 856,000 | 944,000 | 1,019,700 | 1,089,100 |
| Wholesale and retail trade, repairs | 222,500 | 242,900 | 272,200 | 292,600 | 304,600 |
| Hotels and Restaurants | 47,200 | 52,900 | 58,500 | 66,400 | 68,000 |
| Transport and communication | 112,000 | 125,300 | 141,100 | 157,700 | 175,400 |
| Financial intermediation | 68,300 | 79,700 | 108,300 | 115,400 | 135,400 |
| Real estate, renting and business services | 91,700 | 101,100 | 98,200 | 110,800 | 121,500 |
| Community, social and personal services | 97,100 | 99,100 | 100,700 | 102,200 | 104,900 |
| General government services | 154,200 | 155,000 | 165,000 | 174,600 | 179,300 |
| Banking charges | -33,800 | -36,200 | -45,500 | -57,200 | -68,100 |
| Net indirect taxes | 177,500 | 194,200 | 208,600 | 228,300 | 236,500 |
| GDP at constant market prices | 1,366,600 | 1,486,300 | 1,665,600 | 1,747,600 | 1,822,100 |

Sources: Belize authorities

Table 3. Belize: National Accounts at Current Prices

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------------|--------------|--------------|--------------|--------------|
| (In millions of Belize dollars) | | | | | |
| Gross domestic expenditure | 1,443 | 1,649 | 2,026 | 2,062 | 2,116 |
| Consumption | 1,180 | 1,289 | 1,533 | 1,631 | 1,672 |
| Private sector | 987 | 1,081 | 1,321 | 1,405 | 1,436 |
| Public sector | 193 | 208 | 212 | 226 | 236 |
| Gross domestic investment | 263 | 360 | 493 | 431 | 444 |
| Fixed capital formation | 259 | 360 | 437 | 437 | 421 |
| Private sector | 92 | 170 | 193 | 178 | 183 |
| Public sector | 167 | 190 | 244 | 259 | 238 |
| Change in inventories | 4 | 0 | 56 | -6 | 23 |
| Balance of goods and nonfactor services 1/ | -60 | -180 | -360 | -324 | -259 |
| Exports | 725 | 807 | 866 | 881 | 974 |
| Imports | 785 | 987 | 1,226 | 1,205 | 1,233 |
| GDP at market prices | 1,383 | 1,469 | 1,666 | 1,738 | 1,856 |
| Net factor income payments abroad | -58 | -87 | -126 | -155 | -199 |
| GNP at market prices | 1,325 | 1,381 | 1,540 | 1,583 | 1,657 |
| Net indirect taxes | -202 | -188 | -209 | -237 | -264 |
| GNP at factor cost | 1,122 | 1,194 | 1,331 | 1,346 | 1,393 |
| Consumption of fixed capital | -59 | -108 | -148 | -129 | -147 |
| National income | 1,063 | 1,086 | 1,183 | 1,217 | 1,247 |
| (In percent of GDP at market prices) | | | | | |
| Gross domestic expenditure | 104.3 | 112.3 | 121.6 | 118.6 | 114.0 |
| Consumption | 85.3 | 87.7 | 92.0 | 93.8 | 90.1 |
| Private sector | 71.4 | 73.6 | 79.3 | 80.8 | 77.4 |
| Public sector | 14.0 | 14.1 | 12.7 | 13.0 | 12.7 |
| Gross domestic investment | 19.0 | 24.5 | 29.6 | 24.8 | 23.9 |
| Fixed capital formation | 18.7 | 24.5 | 26.2 | 25.1 | 22.7 |
| Private sector | 6.7 | 11.6 | 11.6 | 10.3 | 9.8 |
| Public sector | 12.1 | 12.9 | 14.6 | 14.9 | 12.8 |
| Change in inventories | 0.3 | 0.0 | 3.4 | -0.4 | 1.2 |
| Balance of goods and nonfactor services | -4.3 | -12.3 | -21.6 | -18.6 | -14.0 |
| Exports | 52.4 | 54.9 | 52.0 | 50.7 | 52.5 |
| Imports | 56.7 | 67.2 | 73.6 | 69.3 | 66.4 |
| GDP at market prices | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| GNP at market prices | 95.8 | 94.1 | 92.4 | 91.1 | 89.3 |
| GNP at factor cost | 81.2 | 81.3 | 79.9 | 77.4 | 75.1 |
| National income | 76.9 | 73.9 | 71.0 | 70.0 | 67.1 |
| Ratio of private consumption to national income | 92.8 | 99.6 | 111.6 | 115.5 | 115.2 |

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

1/ Change in balance of payments methodology starting in 1999.

Table 4. Belize: Savings and Investment

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------------|------------|------------|------------|------------|
| (In millions of Belize dollars at current prices) | | | | | |
| Gross domestic investment | 263 | 360 | 493 | 431 | 444 |
| Fixed capital formation | 259 | 360 | 437 | 437 | 421 |
| Private sector | 92 | 170 | 193 | 179 | 183 |
| Public sector | 167 | 190 | 244 | 258 | 238 |
| <i>Of which</i> | | | | | |
| Nonfinancial public enterprises | 51 | 24 | 25 | 26 | 10 |
| Change in inventories | 4 | 0 | 56 | -6 | 23 |
| Gross national savings | 180 | 218 | 182 | 118 | 124 |
| Private sector | 98 | 148 | 99 | 13 | 25 |
| Public sector | 82 | 70 | 83 | 105 | 99 |
| <i>Of which</i> | | | | | |
| Nonfinancial public enterprises | 17 | 14 | 8 | 6 | 4 |
| Foreign savings 1/ | 83 | 142 | 311 | 313 | 320 |
| (In percent of GDP) | | | | | |
| Gross domestic investment | 19.0 | 24.5 | 29.6 | 24.8 | 23.9 |
| Fixed capital formation | 18.7 | 24.5 | 26.2 | 25.1 | 22.7 |
| Private sector | 6.7 | 11.6 | 11.6 | 10.3 | 9.8 |
| Public sector | 12.1 | 12.9 | 14.6 | 14.9 | 12.8 |
| <i>Of which</i> | | | | | |
| Nonfinancial public enterprises | 3.7 | 1.6 | 1.4 | 1.5 | 0.5 |
| Change in inventories | 0.3 | 0.0 | 3.4 | -0.4 | 1.2 |
| Gross national savings | 13.0 | 14.8 | 10.9 | 6.8 | 6.7 |
| Private sector | 7.1 | 10.1 | 5.9 | 1.0 | 2.1 |
| Public sector | 5.9 | 4.8 | 5.0 | 5.8 | 4.6 |
| <i>Of which</i> | | | | | |
| Nonfinancial public enterprises | 1.3 | 1.0 | 0.5 | 0.3 | 0.2 |
| Foreign savings 1/ | 6.0 | 9.7 | 18.7 | 18.0 | 17.2 |
| Savings minus investment | -6.0 | -9.7 | -18.7 | -18.0 | -17.2 |
| Private sector | 0.2 | -1.5 | -9.0 | -9.0 | -9.0 |
| Public sector | -6.1 | -8.2 | -9.6 | -9.0 | -8.2 |

Sources: Central Bank of Belize

1/ Current account deficit of the balance of payments.

Table 5. Belize: Main Agricultural Crops, Acreage, and Production 1/

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------|--------|--------|--------|--------|
| (Units as indicated) | | | | | |
| Sugarcane | | | | | |
| Acreage | 65,000 | 60,000 | 58,500 | 57,322 | 59,500 |
| Production ('000 long tons) | | | | | |
| Sugarcane | 1,160 | 1,163 | 1,095 | 1,023 | 1,151 |
| Sugar | 119 | 115 | 120 | 104 | 111 |
| Sugar exports ('000 long tons) | 104 | 118 | 108 | 90 | 103 |
| Oranges | | | | | |
| Planted acreage 2/ | 48,441 | 63,080 | 72,235 | ... | ... |
| Producing acreage | 40,005 | ... | ... | 30,418 | 31,724 |
| Production ('000 90 lb. boxes) | 3,898 | 4,455 | 5,630 | 5,589 | 4171 |
| Grapefruit | | | | | |
| Planted acreage 2/ | 8,497 | 11,000 | 9,735 | ... | ... |
| Producing acreage | 7,564 | ... | ... | 4,812 | 4,645 |
| Production ('000 80 lb. boxes) | 1,236 | 1,328 | 1,458 | 1,334 | 1246 |
| Bananas | | | | | |
| Acreage | 3,608 | 4,635 | 4,662 | 5,181 | 4,784 |
| Production ('000 42 lb. boxes) | 2,806 | 3,097 | 3,626 | 2,606 | 2,368 |
| Corn | | | | | |
| Acreage | 35,439 | ... | 35,019 | 30,168 | 35,335 |
| Production (million lbs.) | 83 | 90 | 60 | 81 | 74 |
| Rice | | | | | |
| Acreage | 12,899 | ... | 8,953 | 9,935 | 10,243 |
| Production (million lbs.) | 21 | 28 | 25 | 27 | 24 |
| Red kidney beans | | | | | |
| Acreage | 11,384 | ... | 13,266 | 17,056 | 11,582 |
| Production | 6,905 | 8,044 | 9,299 | 12,796 | 4,939 |
| (Output per acre) | | | | | |
| Sugar | | | | | |
| Cane per acre (long tons) | 18 | 19 | 19 | 18 | 19 |
| Cane to sugar ratio | 10 | 10 | 9 | 10 | 10 |
| Oranges (90 lbs. boxes per acre) 3/ | 97 | ... | ... | 184 | 131 |
| Grapefruit (80 lbs. boxes per acre) 3/ | 163 | ... | ... | 277 | 268 |
| Bananas (42 lbs boxes per acre) | 778 | 668 | 778 | 503 | 495 |
| Corn (lbs. per acre) | 2,339 | ... | 1,713 | 2,685 | 2,094 |
| Rice (lbs. per acre) | 1,615 | ... | 2,792 | 2,718 | 2,343 |
| Red kidney beans (lbs. per acre) | 607 | ... | 701 | 750 | 426 |

Sources: Central Bank of Belize; and Ministry of Agriculture.

1/ Production data on a crop year basis.

2/ Includes maturing plantings not yet producing harvestable fruit.

3/ Calculated on the basis of total producing acreage.

Table 6. Belize: Agriculture and Forestry Production

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--------------------------------|--------|--------|--------|--------|--------|
| (In units as indicated) | | | | | |
| Sugarcane (long tons) 1/ | 1,160 | 1,163 | 1,095 | 1,023 | 1,151 |
| Oranges ('000 90-lb. boxes) | 3,898 | 4,455 | 5,590 | 5,589 | 4,171 |
| Grapefruit ('000 80-lb. boxes) | 1,236 | 1,328 | 1,391 | 1,407 | 1,246 |
| Corn (million lbs.) | 83 | 90 | 60 | 81 | 74 |
| Rice paddy (million lbs.) | 21 | 28 | 25 | 27 | 24 |
| Cocoa (thousand lbs.) | 198 | 50 | 82 | 66 | 56 |
| Red kidney beans ('000 lbs.) | 6,905 | 8,044 | 9,299 | 12,796 | 4,939 |
| Honey ('000 lbs.) | 98 | 193 | 143 | 96 | 105 |
| Pork (fresh)('000 lbs.) 2/ | 1,740 | 1,873 | 1,532 | 2,403 | 2,149 |
| Beef (fresh)('000 lbs.) 2/ | 3,260 | 2,526 | 2,074 | 3,233 | 4,066 |
| Poultry ('000 lbs.) | 15,856 | 18,399 | 16,781 | 22,622 | 28,755 |
| Bananas ('000 42-lb boxes) | 2,806 | 3,097 | 3,626 | 2,606 | 2,368 |
| Milk ('000 lbs.) | 2,492 | 2,934 | 2,203 | 5,580 | 7,796 |
| Eggs ('000 doz.) | 2,678 | 2,733 | 2,805 | 2,881 | 2,153 |
| (Annual percentage change) | | | | | |
| Sugarcane 1/ | -2.5 | 0.3 | -5.8 | -6.6 | 12.5 |
| Oranges | -14.4 | 14.3 | 25.5 | -0.02 | -25.4 |
| Grapefruit | -12.8 | 7.5 | 4.7 | 1.2 | -11.4 |
| Corn | 1.1 | 8.6 | -33.3 | 35.0 | -8.6 |
| Rice paddy | -43.7 | 34.4 | -10.7 | 8.0 | -11.1 |
| Cocoa | 7.0 | -74.7 | 64.0 | -19.5 | -15.2 |
| Red kidney beans | -26.2 | 16.5 | 15.6 | 37.6 | -61.4 |
| Honey | -26.1 | 96.4 | -25.9 | -32.9 | 8.9 |
| Pork 2/ | 3.2 | 7.6 | -18.2 | 56.9 | -10.6 |
| Beef 2/ | -2.0 | -22.5 | -17.9 | 55.9 | 25.8 |
| Poultry | -4.0 | 16.0 | -8.8 | 34.8 | 27.1 |
| Bananas | -3.4 | 10.4 | 17.1 | -28.1 | -9.1 |
| Milk | -0.8 | 17.7 | -24.9 | 153.3 | 39.7 |
| Eggs | 3.7 | 2.0 | 2.6 | 2.7 | -25.3 |

Source: Central Bank of Belize.

1/ Production data on a crop year basis (December-November).

2/ In slaughterhouses only.

Table 7. Belize: Cane Deliveries to the Sugar Factories,
Cane Prices, Sugar and Molasses Production 1/

(In long tons, unless otherwise specified)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------------------|------------------|------------------|------------------|------------------|
| Cane deliveries | 1,167,321 | 1,162,578 | 1,109,308 | 1,023,402 | 1,150,656 |
| By Corozal district | 584,291 | 584,402 | 546,433 | 531,635 | 575,683 |
| By Orange Walk district | 575,366 | 569,857 | 542,696 | 479,540 | 554,432 |
| By research farmers | 7,664 | 8,319 | 9,642 | 12,227 | 20,541 |
| Sugarcane prices paid to farmers (in Belize dollars per ton) | 49.90 | 45.27 | 42.18 | 41.10 | 38.08 |
| Sugar production | 119,112 | 115,205 | 119,595 | 103,862 | 111,312 |
| Molasses production | 44,847 | 40,285 | 34,943 | 34,411 | 40,947 |
| Memorandum items | | | | | |
| Sugarcane per acre | 17.78 | 19.70 | 18.60 | 15.89 | 17.86 |
| Cane to sugar ratio | 9.70 | 10.02 | 9.14 | 10.00 | 10.34 |

Source: Belize Sugar Industry Limited.

1/ Figures based on a crop-year basis (December-November).

Table 8. Belize: Production and Exports of Marine Fish Products

(In thousands of pounds)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------|-------|-------|-------|--------|-------|
| Total | | | | | |
| Export volume | 4,334 | 5,683 | 8,237 | 7,934 | 7,342 |
| Local sales | 321 | 3,135 | 3,505 | 3,685 | 933 |
| Total production | 4,654 | 8,817 | 9,689 | 11,160 | 8,275 |
| Lobsters | | | | | |
| Export volume | 549 | 606 | 603 | 498 | 499 |
| Local sales | 4 | 277 | 127 | 17 | 63 |
| Total production | 553 | 883 | 750 | 478 | 562 |
| Conch | | | | | |
| Export volume | 479 | 365 | 545 | 680 | 485 |
| Local sales | 78 | 91 | 127 | ... | 62 |
| Total production | 557 | 456 | 691 | ... | 547 |
| Shrimp | | | | | |
| Export volume | 3,186 | 4,637 | 6,947 | 6,719 | 6330 |
| Local sales | 100 | 2,414 | 3,204 | 3,583 | 804 |
| Total production | 3,286 | 7,051 | 8,101 | 9,964 | 7,134 |
| Others | | | | | |
| Export volume | 119 | 75 | 142 | 37 | 28 |
| Local sales | 5 | 6 | 6 | 14 | 4 |
| Total production | 258 | 428 | 148 | 138 | 32 |

Sources: Department of Fisheries; and Ministry of Agriculture.

Table 9. Belize: Industrial Production

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|---------|---------|---------|---------|---------|
| Sugar (long tons) 1/ | 119,112 | 115,205 | 119,595 | 103,862 | 107,209 |
| Molasses (long tons) 1/2/ | 44,847 | 40,285 | 34,943 | 34,291 | 35,633 |
| Flour ('000 lbs.) | 25,061 | 17,780 | 25,204 | 26,122 | 26,078 |
| Fertilizer (short tons) | 21,326 | 25,236 | 23,277 | 23,749 | 27,775 |
| Cigarettes (millions) | 94 | 92 | 84 | 88 | 84 |
| Beer ('000 gals.) | 922 | 1,455 | 2,033 | 2,385 | 2,388 |
| Soft drinks ('000 cases) | 1,441 | 1,728 | 2,174 | 2,350 | 3,684 |
| Batteries (units) | 7,439 | 7,440 | 7,808 | 5,397 | 4,307 |
| Garments ('000 units) | 2,144 | 2,134 | 1,760 | 1,507 | 1,183 |
| Citrus concentrates ('000 gals) | 3,301 | 3,750 | 6,469 | 5,706 | 4,351 |
| Single strength juices ('000 gals) | 2,946 | 2,743 | 2,783 | ... | ... |
| (Annual percentage change) | | | | | |
| Sugar 1/ | -3.8 | -3.3 | 3.8 | -13.2 | 3.2 |
| Molasses 1/2/ | -13.4 | -10.2 | -13.3 | -1.9 | 3.9 |
| Flour | -2.2 | -29.1 | 41.8 | 3.6 | -0.2 |
| Fertilizer | -0.9 | 18.3 | -7.8 | 2.0 | 17.0 |
| Cigarettes | 7.3 | -2.6 | -8.7 | 4.8 | -4.5 |
| Beer | 12.8 | 57.9 | 39.7 | 17.3 | 0.1 |
| Soft drinks | 8.3 | 19.9 | 25.8 | 8.1 | 56.8 |
| Batteries | -6.6 | 0.0 | 4.9 | -30.9 | -20.2 |
| Garments | 7.6 | -0.5 | -17.5 | -14.4 | -21.5 |
| Citrus concentrates | -8.7 | 13.6 | 72.5 | -11.8 | -23.7 |
| Single strength juices | -40.2 | -6.9 | 1.5 | ... | ... |

Source: Central Bank of Belize.

1/ Production data are on a crop year basis (December-November).

2/ Data refers to Tower Hill factory.

Table 10. Belize: Indices of Industrial Products

(1984 = 100)

| | Weight (percent) | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|---------------------|---------------|--------------|---------------|--------------|---------------|
| Sugar 1/ | 53.4 | 117 | 113 | 118 | 102 | 103 |
| Molasses 1/ | 1.9 | 138 | 124 | 107 | 105 | 117 |
| Flour | 1.5 | 991 | 703 | 997 | 1033 | 1015 |
| Fertilizer | 2.0 | 460 | 544 | 502 | 512 | 586 |
| Cigarettes | 4.9 | 146 | 142 | 131 | 136 | 133 |
| Beer | 6.0 | 146 | 231 | 323 | 379 | 385 |
| Soft drinks | 11.5 | 161 | 193 | 243 | 262 | 274 |
| Batteries | 0.3 | 134 | 134 | 141 | 97 | 78 |
| Nails and roofing | 1.2 | 2 | 1 | 0 | 0 | 0 |
| Garments | 6.1 | 109 | 109 | 90 | 77 | 60 |
| Citrus concentrates | 11.3 | 308 | 333 | 496 | 555 | 428 |
| Single strength juices 2/ | ... | 898 | 836 | 848 | ... | ... |
| Industrial production 3/ (change in percentage) | 100.0 | 165.3 -2.9 | 171.8 3.9 | 205.3 19.5 | 209.3 2.0 | 197.4 -5.7 |

Source: Central Statistical Office

1/ Production data are on a crop year basis (December-November).

2/ Index: 1994 = 100.

3/ Based on value added of the manufacturing sector.

Table 11. Belize: Consumer Price Index 1/

| | Weights | 1998 | 1999 | 2000 | 2001 | 2002 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (Index numbers: November 1990 = 100) | | | | | | |
| End of period 2/ | 100.0 | 119.5 | 118.2 | 119.4 | 120.5 | 124.4 |
| Food, beverages, and tobacco | 34.7 | 120.8 | 119.1 | 119.8 | 120.0 | 122.3 |
| Clothing and footwear | 9.2 | 100.5 | 94.8 | 91.0 | 89.2 | 88.7 |
| Household goods and maintenance | 8.5 | 115.8 | 112.4 | 112.5 | 111.4 | 112.1 |
| Rent, water, fuel, and power | 16.7 | 130.3 | 131.5 | 133.9 | 134.7 | 136.8 |
| Medical care | 1.9 | 130.0 | 131.3 | 136.4 | 137.5 | 140.6 |
| Transportation and communication | 17.2 | 112.4 | 112.6 | 116.7 | 123.1 | 136.1 |
| Recreation, education, and culture | 8.0 | 125.6 | 125.1 | 125.6 | 124.6 | 129 |
| Personal care | 3.8 | 120.3 | 118.7 | 120.0 | 121.0 | 122.7 |
| Average | 100.0 | 119.5 | 118.1 | 118.8 | 120.2 | 122.9 |
| Food, beverages, and tobacco | 34.7 | 120.6 | 118.6 | 119.3 | 119.8 | 121.2 |
| Clothing and footwear | 9.2 | 102.2 | 96.6 | 93.0 | 89.8 | 89 |
| Household goods and maintenance | 8.5 | 116.2 | 113.3 | 112.6 | 111.6 | 112.1 |
| Rent, water, fuel, and power | 16.7 | 129.8 | 130.8 | 132.9 | 135.7 | 140.4 |
| Transportation and communication | 17.2 | 112.3 | 112.1 | 114.2 | 120.2 | 132 |
| Recreation, education, and culture | 8.0 | 126.5 | 125.0 | 125.5 | 125.1 | 127.5 |
| Personal care | 3.8 | 121.3 | 119.2 | 120.6 | 121.0 | 121.9 |
| (Annual percentage change) | | | | | | |
| End of period 2/ | 100.0 | -0.9 | -1.0 | 1.0 | 0.9 | 3.2 |
| Food, beverages, and tobacco | 34.7 | -0.8 | -1.4 | 0.6 | 0.2 | 1.9 |
| Clothing and footwear | 9.2 | -3.8 | -5.7 | -4.0 | -2.0 | -0.5 |
| Household goods and maintenance | 8.5 | -0.8 | -2.9 | 0.2 | -1.0 | 0.7 |
| Rent, water, fuel, and power | 16.7 | 0.8 | 0.9 | 1.9 | 0.6 | 1.5 |
| Medical care | 1.9 | 0.3 | 1.0 | 3.9 | 0.9 | 2.2 |
| Transportation and communication | 17.2 | -0.7 | 0.2 | 3.6 | 5.5 | 10.5 |
| Recreation, education, and culture | 8.0 | -2.7 | -0.4 | 0.4 | -0.8 | 3.6 |
| Personal care | 3.8 | -1.4 | -1.3 | 1.0 | 0.9 | 1.3 |
| Average | 100.0 | -0.8 | -1.2 | 0.6 | 1.1 | 2.3 |
| Food, beverages, and tobacco | 34.7 | -1.0 | -1.7 | 0.6 | 0.5 | 1.2 |
| Clothing and footwear | 9.2 | -3.7 | -5.4 | -3.7 | -3.5 | -1.1 |
| Household goods and maintenance | 8.5 | -0.4 | -2.5 | -0.6 | -0.9 | 0.4 |
| Rent, water, fuel, and power | 16.7 | 0.4 | 0.8 | 1.6 | 2.1 | -0.6 |
| Medical care | 1.9 | 0.1 | 1.7 | 2.6 | 1.9 | 2.6 |
| Transportation and communication | 17.2 | -1.0 | -0.2 | 1.9 | 5.3 | 10.4 |
| Recreation, education, and culture | 8.0 | -1.2 | -1.2 | 0.4 | -0.4 | 1.8 |
| Personal care | 3.8 | -1.1 | -1.7 | 1.2 | 0.3 | 0.8 |

Sources: Central Bank of Belize.

1/ Based on the household expenditure survey conducted four times a year: February, May, August, and November.

2/ November of each year.

Table 12. Belize: Average Prices for Selected Products and Services

(Annual percentage changes)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|------|------|------|------|------|
| Food, beverages, and tobacco | -0.8 | -1.4 | 0.6 | 0.2 | 1.9 |
| Clothing and footwear | -3.8 | -5.7 | -4.0 | -2.0 | -0.5 |
| Household goods and maintenance | -0.8 | -2.9 | 0.2 | -1.0 | 0.7 |
| Rent, water, fuel, and power | 0.8 | 0.9 | 1.9 | 0.6 | 1.5 |
| Medical care | 0.3 | 1.0 | 3.9 | 0.9 | 2.2 |
| Transportation and communication | -0.7 | 0.2 | 3.6 | 5.5 | 10.5 |
| Recreation, education, and culture | -2.7 | -0.4 | 0.4 | -0.8 | 3.6 |
| Personal care | -1.4 | -1.3 | 1.0 | 0.9 | 1.3 |
| Premium gasoline | 0.0 | 5.8 | 11.4 | 1.7 | 16.1 |
| Regular gasoline | -1.2 | 4.2 | 12.0 | 3.0 | 16.5 |
| Kerosene | -4.9 | 4.4 | 11.1 | 0.0 | 24.1 |
| Diesel | -4.1 | 3.1 | 17.5 | 0.0 | 17.7 |

Source: Central Statistical Office

Table 13. Belize: Price Structure of Petroleum Products

(Belize dollars per gallon)

| | December 2000 | | | | December 2001 | | | | December 2002 | | | |
|----------------------------------|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|
| | Premium | Regular | Kerosene | Diesel | Premium | Regular | Kerosene | Diesel | Premium | Regular | Kerosene | Diesel |
| Retail price | 5.85 | 5.60 | 3.40 | 4.29 | 5.95 | 5.77 | 3.40 | 4.29 | 6.91 | 6.72 | 4.22 | 5.05 |
| Total landed cost | 2.05 | 1.99 | 2.46 | 2.31 | 1.39 | 1.34 | 1.46 | 1.41 | 2.04 | 1.96 | 2.07 | 2.05 |
| Acquisition cost | 1.90 | 1.84 | 2.32 | 2.16 | 1.24 | 1.19 | 1.31 | 1.26 | 1.91 | 1.83 | 1.94 | 1.92 |
| Handling charges | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.13 | 0.13 | 0.13 | 0.13 |
| Remittance charge | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Government charges | 2.87 | 2.71 | 0.32 | 1.29 | 3.63 | 3.53 | 1.32 | 2.19 | 3.84 | 3.76 | 1.38 | 2.08 |
| Stamp duty | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.02 | 0.02 | 0.02 |
| Value-added tax | 0.29 | 0.28 | 0.28 | 0.30 | 0.21 | 0.20 | 0.16 | 0.19 | 0.29 | 0.28 | 0.24 | 0.27 |
| 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 | 2.11 | 1.96 | 0.00 | 0.70 | 2.95 | 2.86 | 1.12 | 1.71 | 3.08 | 3.01 | 1.12 | 1.52 |
| Other 1/ | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | ... | ... | ... | ... |
| Commercial charges | 0.93 | 0.90 | 0.62 | 0.69 | 0.93 | 0.90 | 0.62 | 0.69 | 1.03 | 1.00 | 0.77 | 0.92 |
| Delivery cost to service station | 0.07 | 0.07 | 0.06 | 0.06 | 0.07 | 0.07 | 0.06 | 0.06 | 0.07 | 0.07 | 0.06 | 0.06 |
| Gross margin-dealer | 0.45 | 0.45 | 0.33 | 0.35 | 0.45 | 0.45 | 0.33 | 0.35 | 0.55 | 0.55 | 0.43 | 0.45 |

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

1/ Tonnage dues and foreign exchange tax.

Table 14. Belize: Consolidated Operations of the Nonfinancial Public Sector

(In percent of GDP)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|-------------|-------------|-------------|-------------|-------------|
| Total revenue and grants | 24.8 | 27.9 | 25.8 | 25.3 | 24.9 |
| Revenue | 23.4 | 26.9 | 24.8 | 25.0 | 24.6 |
| Current revenue | 22.6 | 26.0 | 24.5 | 24.0 | 23.9 |
| Central government | 20.1 | 22.8 | 21.4 | 21.0 | 21.1 |
| Social Security Board | 2.1 | 2.9 | 2.8 | 2.8 | 2.8 |
| NFPE's current surplus | 0.4 | 0.3 | 0.2 | 0.2 | 0.0 |
| Capital revenue | 0.7 | 0.3 | 0.2 | 0.2 | 0.0 |
| Grants | 1.4 | 1.0 | 1.0 | 0.3 | 0.3 |
| Total expenditure | 34.2 | 38.1 | 34.4 | 32.0 | 27.2 |
| Current expenditure | 18.8 | 21.1 | 21.3 | 21.7 | 20.3 |
| General government | 18.8 | 21.1 | 21.3 | 21.7 | 20.3 |
| Central government | 17.6 | 19.1 | 19.1 | 19.6 | 18.2 |
| Social Security Board | 1.2 | 2.0 | 2.2 | 2.1 | 2.1 |
| NFPE's current deficit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital expenditure 1/ | 15.5 | 17.0 | 13.2 | 10.3 | 6.9 |
| General government | 13.9 | 15.5 | 12.9 | 10.1 | 6.8 |
| Central government | 13.7 | 15.2 | 12.6 | 9.9 | 6.6 |
| Social Security Board | 0.1 | 0.3 | 0.3 | 0.2 | 0.2 |
| Public enterprises | 1.6 | 1.5 | 0.3 | 0.1 | 0.1 |
| Overall balance (after grants) | -9.6 | -9.3 | -9.4 | -6.7 | -2.3 |
| Privatization | 3.5 | 0.3 | 2.5 | 0.9 | 0.0 |
| Public sector borrowing requirement | 6.1 | 9.0 | 6.9 | 6.5 | 1.5 |
| External financing | 12.5 | 5.9 | 12.9 | 12.4 | 3.0 |
| Domestic financing | -6.5 | 3.2 | -5.9 | -5.9 | -1.5 |
| Financial system | -4.4 | 4.0 | -6.5 | -5.3 | -0.3 |
| Central bank | -4.8 | 4.7 | 2.8 | 1.5 | -0.2 |
| Commercial banks | 1.2 | -0.5 | -1.2 | -0.8 | -0.2 |
| Development Finance Corporation | -0.8 | -0.1 | -8.1 | -6.0 | 0.0 |
| Private sector bonds 2/ | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 |
| Other 3/ | -2.0 | -0.7 | 0.5 | -0.6 | -1.2 |
| Exceptional financing 4/ | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Memorandum items | | | | | |
| NFPS savings | 5.3 | 5.9 | 4.2 | 2.6 | 3.9 |
| Central government | 4.0 | 4.7 | 3.3 | 1.7 | 3.1 |
| Social Security Board | 0.9 | 0.9 | 0.7 | 0.7 | 0.7 |
| Nonfinancial public enterprises | 0.4 | 0.3 | 0.2 | 0.2 | 0.0 |

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

1/ Includes unidentified expenditure.

2/ In 1999/2000 it includes repayment of loans to the social security of about BZ\$14.4 million. Since 1999/2000 it includes an annual payment of BZ\$2 million corresponding to the wage bond issued in 1996/97.

3/ Includes the overall balance of the Social Security Board invested mainly in the private sector.

4/ Sale of mortgages.

Table 15. Belize: Consolidated Operations of the Nonfinancial Public Sector

(In millions of Belize dollars)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|---|--------------|--------------|---------------|---------------|---------------|
| I. Consolidated Nonfinancial Public Sector | | | | | |
| Total revenue and grants | 389.3 | 388.9 | 417.6 | 493.9 | 488.5 |
| Revenue | 373.1 | 365.3 | 393.8 | 475.7 | 469.7 |
| Current revenue | 355.2 | 357.8 | 381.4 | 459.7 | 463.2 |
| Central government | 304.6 | 310.4 | 338.8 | 402.4 | 406.0 |
| Social Security Board | 33.1 | 33.4 | 36.2 | 51.5 | 53.6 |
| NFPE's current surplus | 17.5 | 14.1 | 6.4 | 5.9 | 3.6 |
| Capital revenue | 18.0 | 7.5 | 12.4 | 15.9 | 6.5 |
| Grants | 16.2 | 23.6 | 23.8 | 18.2 | 18.8 |
| Total expenditure | 470.7 | 513.5 | 576.5 | 672.8 | 652.2 |
| Current expenditure | 291.0 | 314.3 | 316.1 | 372.9 | 402.8 |
| General government | 291.0 | 314.3 | 316.1 | 372.9 | 402.8 |
| Central government | 271.6 | 291.2 | 295.8 | 338.1 | 362.0 |
| Social Security Board | 19.5 | 23.1 | 20.3 | 34.9 | 40.8 |
| NFPE's current deficit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital expenditure | 179.7 | 199.2 | 260.4 | 299.9 | 249.3 |
| General government | 128.9 | 183.7 | 233.4 | 274.0 | 244.6 |
| Central government | 119.9 | 180.5 | 231.4 | 268.0 | 238.9 |
| Social Security Board | 9.0 | 3.2 | 2.0 | 6.0 | 5.7 |
| Public enterprises | 50.8 | 15.5 | 27.0 | 25.8 | 4.8 |
| Unidentified expenditure | -10.4 | -39.2 | 3.6 | -14.5 | 15.2 |
| Overall balance (after grants) | -71.0 | -85.4 | -162.4 | -164.4 | -178.9 |
| Privatization | 0.0 | 0.0 | 59.2 | 5.2 | 47.6 |
| Financing | 71.0 | 85.4 | 103.2 | 159.3 | 131.3 |
| External | 44.7 | 63.1 | 210.2 | 103.4 | 243.9 |
| Domestic | 26.3 | -4.6 | -110.0 | 55.8 | -112.5 |
| Financial system | 26.7 | -4.7 | -73.5 | 70.8 | -122.4 |
| Central bank | 20.4 | -31.0 | -80.1 | 82.2 | 53.2 |
| Commercial banks | -3.7 | 28.4 | 20.4 | -9.4 | -22.4 |
| Development Finance Corporation | 10.0 | -2.0 | -13.8 | -2.0 | -153.2 |
| Nonfinancial system | -0.4 | 0.1 | -36.4 | -15.0 | 9.9 |
| Private sector 1/ | 0.0 | -2.0 | -2.0 | -2.3 | 0.0 |
| Other 2/ | -0.4 | 2.1 | -34.4 | -12.7 | 9.9 |
| Exceptional financing 3/ | 0.0 | 26.9 | 3.0 | 0.0 | 0.0 |
| Memorandum items: | | | | | |
| Current savings | 89.1 | 105.0 | 79.2 | 52.8 | 83.1 |
| Central government | 66.9 | 82.5 | 62.8 | 34.8 | 67.7 |
| Social Security Board | 15.8 | 16.6 | 12.8 | 14.0 | 15.1 |
| Nonfinancial public enterprises | 6.4 | 5.9 | 3.6 | 4.0 | 0.4 |

Table 15. Belize: Consolidated Operations of the Nonfinancial Public Sector

(In millions of Belize dollars)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|--------------|--------------|--------------|--------------|---------------|
| II. General Government | | | | | |
| Revenue and grants | 353.9 | 367.4 | 398.8 | 472.1 | 478.4 |
| Revenue | 337.7 | 343.8 | 374.9 | 453.8 | 459.6 |
| Central government | 304.6 | 310.4 | 338.8 | 402.4 | 406.0 |
| Social Security Board | 33.1 | 33.4 | 36.2 | 51.5 | 53.6 |
| Grants | 16.2 | 23.6 | 23.8 | 18.2 | 18.8 |
| Total expenditure | 419.9 | 498.0 | 549.5 | 647.0 | 647.4 |
| Current expenditure | 291.0 | 314.3 | 316.1 | 372.9 | 402.8 |
| Capital expenditure and transfers | 128.9 | 183.7 | 233.4 | 274.0 | 244.6 |
| Unidentified expenditure | 10.1 | 52.5 | 1.7 | 7.2 | -8.0 |
| Overall balance (deficit -) | -56.0 | -78.2 | -149.0 | -167.8 | -177.0 |
| Privatization | 0.0 | 0.0 | 59.2 | 5.2 | 47.6 |
| Financing | 56.0 | 78.2 | 89.8 | 162.6 | 129.4 |
| External | 26.6 | 63.1 | 205.2 | 81.3 | 246.2 |
| Domestic | 29.4 | -11.8 | -118.4 | 81.3 | -116.8 |
| Financial system | 25.4 | 8.8 | -93.2 | 77.1 | -122.3 |
| Central Bank | 20.4 | -31.0 | -80.1 | 82.7 | 53.2 |
| Commercial banks | -5.0 | 46.8 | 0.7 | -3.6 | -22.3 |
| Development Finance Corporation | 10.0 | -6.9 | -13.8 | -2.0 | -153.2 |
| Nonfinancial system 1/ | 14.5 | 0.0 | -0.2 | 3.4 | -0.7 |
| Other 2/ | -10.5 | -20.6 | -25.0 | 0.8 | 6.2 |
| Exceptional financing 3/ | 0.0 | 26.9 | 3.0 | 0.0 | 0.0 |
| IIa. Central Government | | | | | |
| Revenue and grants | 338.7 | 341.5 | 375.1 | 436.5 | 431.3 |
| Revenue | 322.5 | 317.9 | 351.2 | 418.3 | 412.5 |
| Current | 304.6 | 310.4 | 338.8 | 402.4 | 406.0 |
| Tax | 271.5 | 265.2 | 296.7 | 326.1 | 359.6 |
| Nontax | 33.1 | 45.2 | 42.1 | 76.3 | 46.4 |
| Capital | 18.0 | 7.5 | 12.4 | 15.9 | 6.5 |
| Grants | 16.2 | 23.6 | 23.8 | 18.2 | 18.8 |
| Total expenditure | 391.5 | 471.7 | 527.2 | 606.1 | 600.9 |
| Current expenditure | 271.6 | 291.2 | 295.8 | 338.1 | 362.0 |
| Capital expenditure and transfers | 119.9 | 180.5 | 231.4 | 268.0 | 238.9 |
| Unidentified expenditure | -5.1 | 44.9 | -11.4 | -3.4 | -12.7 |
| Overall deficit | -57.8 | -85.3 | -163.5 | -173.0 | -182.3 |
| Privatization | 0.0 | 0.0 | 59.2 | 5.2 | 47.6 |

Table 15. Belize: Consolidated Operations of the Nonfinancial Public Sector

(In millions of Belize dollars)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|--------------|-------------|------------|------------|------------|
| IIIa. Operations of the Belize Electricity Board 4/ | | | | | |
| Revenue and grants | 73.5 | 39.1 | 0.0 | 0.0 | 0.0 |
| Current revenue | 73.5 | 39.1 | 0.0 | 0.0 | 0.0 |
| Operating revenue | 70.5 | 39.1 | 0.0 | 0.0 | 0.0 |
| <i>Of which: sale of electricity</i> | 66.8 | 36.5 | 0.0 | 0.0 | 0.0 |
| Nonoperating revenue | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total expenditure | 95.4 | 37.0 | 0.0 | 0.0 | 0.0 |
| Current expenditure | 60.2 | 30.3 | 0.0 | 0.0 | 0.0 |
| Operating expenditure | 54.0 | 26.5 | 0.0 | 0.0 | 0.0 |
| Wages and salaries | 9.4 | ... | 0.0 | 0.0 | 0.0 |
| Fuel and lubricants | 30.5 | ... | 0.0 | 0.0 | 0.0 |
| Maintenance | 4.1 | ... | 0.0 | 0.0 | 0.0 |
| Other | 9.9 | ... | 0.0 | 0.0 | 0.0 |
| Interest | 6.3 | 3.8 | 0.0 | 0.0 | 0.0 |
| Capital expenditure | 35.2 | 6.7 | 0.0 | 0.0 | 0.0 |
| Operating surplus | 16.5 | 12.6 | 0.0 | 0.0 | 0.0 |
| Current surplus | 13.2 | 8.8 | 0.0 | 0.0 | 0.0 |
| Overall balance | -22.0 | 2.1 | 0.0 | 0.0 | 0.0 |

Sources: Ministry of Finance; and Fund staff estimates.

1/ Starting in 1999/2000 it includes an annual payment of BZ\$2 million corresponding to the wage bond issued in 1996/97.

2/ Starting in 1999/2000 it includes the overall balance of the Social Security Board, invested mainly in the private sector.

3/ Sale of mortgages.

4/ The electricity company was sold to the private sector in October 1999, and the water authority in March 2001.

Table 16. Belize: Operations of the Central Government

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|---|-------------|-------------|-------------|-------------|-------------|
| (In percent of GDP) | | | | | |
| Revenue and grants | 24.1 | 22.5 | 22.3 | 24.7 | 22.8 |
| Revenue | 23.0 | 20.9 | 20.9 | 23.7 | 21.8 |
| Current revenue | 21.7 | 20.4 | 20.1 | 22.8 | 21.4 |
| Tax | 19.3 | 17.5 | 17.6 | 18.4 | 19.0 |
| Nontax | 2.4 | 3.0 | 2.5 | 4.3 | 2.5 |
| Capital revenue | 1.3 | 0.5 | 0.7 | 0.9 | 0.3 |
| Grants | 1.2 | 1.6 | 1.4 | 1.0 | 1.0 |
| Expenditure | 27.9 | 31.1 | 31.3 | 34.3 | 31.7 |
| Current expenditure | 19.3 | 19.2 | 17.6 | 19.1 | 19.1 |
| Wages and salaries | 10.0 | 9.8 | 9.0 | 9.3 | 9.1 |
| Interest payments | 1.9 | 2.0 | 2.4 | 3.0 | 3.9 |
| Goods and services | 4.1 | 4.1 | 3.6 | 3.8 | 3.4 |
| Other | 3.3 | 3.3 | 2.6 | 3.1 | 2.7 |
| Capital expenditure 1/ | 8.5 | 11.9 | 13.7 | 15.2 | 12.6 |
| Capital expenditure | 8.5 | 11.9 | 13.7 | 13.1 | 11.7 |
| Capital II expenditure | 3.5 | 5.1 | 3.2 | 6.0 | 4.9 |
| Environmental Expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Capital III expenditure 2/ | 5.0 | 6.7 | 7.4 | 5.0 | 5.7 |
| Emergency expenditure 2/ | 0.0 | 0.0 | 3.1 | 2.1 | 0.9 |
| Net lending | 0.0 | 0.0 | 0.0 | 2.1 | 0.9 |
| Overall balance | -4.1 | -5.6 | -9.7 | -9.8 | -9.6 |
| Privatization | 0.0 | 0.0 | 3.5 | 0.3 | 2.5 |
| Central government borrowing requirement | 4.1 | 5.6 | 6.2 | 9.5 | 7.1 |
| External (net) | 1.9 | 4.2 | 12.2 | 4.6 | 13.0 |
| Domestic | 2.2 | -0.3 | -6.2 | 4.9 | -5.9 |
| Financial system | 1.2 | -0.3 | -6.2 | 4.7 | -5.8 |
| Other 3/ | 1.0 | 0.0 | 0.0 | 0.2 | 0.0 |
| Exceptional financing 4/ | 0.0 | 1.8 | 0.2 | 0.0 | 0.0 |
| (Annual percentage change) | | | | | |
| Revenue and grants | 7.1 | 0.8 | 9.8 | 16.4 | -1.2 |
| Revenue | 7.8 | -1.4 | 10.5 | 19.1 | -1.4 |
| Total expenditure | 12.5 | 20.5 | 11.8 | 15.0 | -0.9 |
| Current expenditure | 7.6 | 7.2 | 1.6 | 14.3 | 7.1 |
| Capital expenditure | 25.3 | 50.5 | 28.2 | 15.8 | -10.9 |

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes unidentified expenditure.

2/ Donor and multilateral financed projects.

3/ In 1999/2000 it includes repayment of loans to the social security of about BZ\$14.4 million. Since 1999/2000 it includes an annual payment of BZ\$2 million corresponding to the wage bond issued in 1996/97.

4/ Sale of mortgages.

Table 17. Belize: Central Government Revenue

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| (In percent of GDP) | | | | | |
| Total revenue and grants | 24.1 | 22.5 | 22.3 | 24.7 | 22.8 |
| Total revenue | 23.0 | 20.9 | 20.9 | 23.7 | 21.8 |
| Tax revenue | 19.3 | 17.5 | 17.6 | 18.4 | 19.0 |
| Income tax | 4.6 | 4.2 | 4.5 | 4.4 | 4.2 |
| Property tax | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 |
| Taxes on goods and services | 7.6 | 6.6 | 6.0 | 6.1 | 6.0 |
| Taxes on international trade | 7.0 | 6.5 | 6.9 | 7.8 | 8.7 |
| Nontax revenue | 2.9 | 2.6 | 2.3 | 3.3 | 3.9 |
| Capital revenue | 2.4 | 3.0 | 2.5 | 4.3 | 2.5 |
| Grants | 1.3 | 0.5 | 0.7 | 0.9 | 0.3 |
| (In percent of total revenue) | | | | | |
| Income tax | 19.9 | 20.3 | 21.7 | 18.4 | 19.1 |
| Property tax | 0.5 | 0.7 | 0.6 | 0.7 | 0.6 |
| Taxes on goods and services | 33.1 | 31.3 | 29.0 | 25.8 | 27.5 |
| Taxes on international trade | 30.6 | 31.1 | 33.1 | 33.1 | 40.0 |
| Nontax revenue | 10.3 | 14.2 | 12.0 | 18.2 | 11.3 |
| Capital revenue | 5.6 | 2.4 | 3.5 | 3.8 | 1.6 |
| (Annual percentage change) | | | | | |
| Tax revenue | 5.6 | -2.3 | 11.9 | 9.9 | 10.3 |
| Income tax | 14.9 | 0.6 | 18.3 | 0.9 | 2.5 |
| Taxes on goods and services | 8.9 | 26.3 | -1.5 | 27.5 | -11.7 |
| Taxes on international trade | 2.0 | -6.8 | 2.4 | 6.0 | 5.0 |
| Nontax revenue | 7.6 | 36.6 | -6.8 | 81.1 | -39.1 |

Sources: Ministry of Finance; and Fund staff estimates.

Table 18. Belize: Central Government Revenue

(In millions of Belize dollars)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total revenue and grants | 338.7 | 341.5 | 375.1 | 436.5 | 431.3 |
| Total revenue | 322.5 | 317.9 | 351.2 | 418.3 | 412.5 |
| Current revenue | 304.6 | 310.4 | 338.8 | 402.4 | 406.0 |
| Tax revenue | 271.5 | 265.2 | 296.7 | 326.1 | 359.6 |
| Income tax | 64.1 | 64.5 | 76.3 | 77.0 | 78.9 |
| Taxes on property | 1.7 | 2.2 | 2.2 | 2.8 | 2.5 |
| Taxes on goods and services | 97.9 | 82.0 | 101.8 | 107.9 | 113.5 |
| Taxes on international transactions | 98.8 | 106.4 | 116.3 | 138.4 | 165.0 |
| <i>Of which</i> | | | | | |
| Import duty | 51.9 | 58.8 | 63.6 | 64.9 | 75.4 |
| Revenue replacement duty | 40.4 | 39.8 | 38.8 | 58.9 | 74.8 |
| Other taxes | 8.9 | 10.1 | 0.0 | 0.0 | -0.3 |
| Nontax revenue | 33.1 | 45.2 | 42.1 | 76.3 | 46.4 |
| Capital revenue | 18.0 | 7.5 | 12.4 | 15.9 | 6.5 |
| Economic citizenship program | 4.9 | 2.1 | 7.7 | 7.5 | 0.4 |
| Other | 13.1 | 5.4 | 4.7 | 8.4 | 6.1 |
| Grants | 16.2 | 23.6 | 23.8 | 18.2 | 18.8 |
| (In percent of GDP) | | | | | |
| Total revenue and grants | 24.1 | 22.5 | 22.3 | 24.7 | 22.8 |
| Total revenue | 23.0 | 20.9 | 20.9 | 23.7 | 21.8 |
| Tax revenue | 19.3 | 17.5 | 17.6 | 18.4 | 19.0 |
| Nontax revenue | 2.4 | 3.0 | 2.5 | 4.3 | 2.5 |
| Capital revenue | 1.3 | 0.5 | 0.7 | 0.9 | 0.3 |
| Grants | 1.2 | 1.6 | 1.4 | 1.0 | 1.0 |

Sources: Belize authorities; and Fund staff estimates.

Table 19. Belize: Central Government Expenditure

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|-------------|-------------|-------------|-------------|-------------|
| (In percent of GDP) | | | | | |
| Total expenditure | 27.9 | 31.1 | 31.3 | 34.3 | 31.7 |
| Current expenditure | 19.3 | 19.2 | 17.6 | 19.1 | 19.1 |
| Wages and salaries | 10.0 | 9.8 | 9.0 | 9.3 | 9.1 |
| Goods and services | 4.1 | 4.1 | 3.6 | 3.8 | 3.4 |
| Interest payments | 1.9 | 2.0 | 2.4 | 3.0 | 3.9 |
| Subsidies and current transfers | 2.1 | 1.9 | 1.5 | 1.6 | 1.4 |
| Other | 1.3 | 1.4 | 1.1 | 1.4 | 1.4 |
| Capital expenditure and net lending | 8.5 | 11.9 | 13.7 | 15.2 | 12.6 |
| Capital expenditure | 8.5 | 11.9 | 13.7 | 13.1 | 11.7 |
| Capital II expenditure | 3.5 | 5.1 | 3.2 | 6.0 | 4.9 |
| Environmental Expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Capital III expenditure | 5.0 | 6.7 | 7.4 | 5.0 | 5.7 |
| Emergency expenditure | 0.0 | 0.0 | 3.1 | 2.1 | 0.9 |
| Net lending | 0.0 | 0.0 | 0.0 | 2.1 | 0.9 |
| (In percent of total expenditure) | | | | | |
| Current expenditure | 69.4 | 61.7 | 56.1 | 55.8 | 60.2 |
| Wages and salaries | 35.8 | 31.5 | 28.8 | 27.0 | 28.8 |
| Goods and services | 14.5 | 13.2 | 11.5 | 11.0 | 10.8 |
| Interest payments | 7.0 | 6.4 | 7.6 | 8.8 | 12.2 |
| Subsidies and current transfers | 7.5 | 6.1 | 4.8 | 4.8 | 4.3 |
| | 4.5 | 4.5 | 3.4 | 4.1 | 4.3 |
| Capital expenditure and net lending | 30.6 | 38.3 | 43.9 | 44.2 | 39.8 |
| Capital expenditure | 30.6 | 38.3 | 43.9 | 38.1 | 37.0 |
| Capital II expenditure | 12.6 | 16.6 | 10.3 | 17.4 | 15.3 |
| Environmental Expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| Capital III expenditure | 18.1 | 21.7 | 23.5 | 14.6 | 17.8 |
| Emergency expenditure | 0.0 | 0.0 | 10.0 | 6.1 | 2.8 |
| Net lending | 0.0 | 0.0 | 0.0 | 6.1 | 2.8 |
| (Annual percentage change) | | | | | |
| Total expenditure | 12.5 | 20.5 | 11.8 | 15.0 | -0.9 |
| Current expenditure | 7.6 | 7.2 | 1.6 | 14.3 | 7.1 |
| Wages and salaries | 7.9 | 6.0 | 2.0 | 7.8 | 5.7 |
| Goods and services | 10.1 | 9.7 | -2.6 | 10.0 | -3.3 |
| Subsidies and current transfers | 0.3 | -1.1 | -11.6 | 13.6 | -11.7 |
| Capital expenditure and transfers | 25.3 | 50.5 | 28.2 | 15.8 | -10.9 |

Sources: Ministry of Finance; and Fund staff estimates.

Table 20. Belize: Central Government Expenditure

(In millions of Belize dollars)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|--------------|--------------|--------------|--------------|--------------|
| Total expenditure | 391.5 | 471.7 | 524.0 | 574.3 | 600.9 |
| Current expenditure | 271.6 | 291.2 | 294.6 | 326.2 | 362.0 |
| Wages and salaries | 140.3 | 148.7 | 151.7 | 162.7 | 172.9 |
| Pensions | 17.8 | 21.0 | 17.8 | 23.6 | 25.6 |
| Goods and services | 56.9 | 62.4 | 60.8 | 62.6 | 64.6 |
| Interest payments | 27.3 | 30.2 | 40.3 | 51.6 | 73.3 |
| Domestic | 10.8 | 11.4 | 12.5 | 12.1 | 11.9 |
| Foreign | 16.6 | 18.8 | 27.8 | 39.6 | 61.3 |
| Subsidies and current transfers | 29.2 | 28.9 | 24.0 | 25.7 | 25.6 |
| Capital expenditure and net lending | 119.9 | 180.5 | 229.4 | 263.3 | 238.9 |
| Capital expenditure | 119.9 | 180.5 | 231.4 | 231.0 | 222.2 |
| Capital II expenditure | 49.2 | 78.1 | 54.4 | 105.7 | 92.2 |
| Environmental Expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 6.1 |
| Capital III expenditure | 70.7 | 102.4 | 124.1 | 88.3 | 107.2 |
| Emergency expenditure | 0.0 | 0.0 | 52.9 | 37.0 | 16.7 |
| Net lending | 0.0 | 0.0 | 0.0 | 37.0 | 16.7 |

Sources: Ministry of Finance; and Fund staff estimates.

Table 21. Belize: Operations of the Social Security Board

(In percent of GDP)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|--|------------|------------|------------|------------|------------|
| Revenue | 2.4 | 2.2 | 2.1 | 2.9 | 2.8 |
| Contributions | 1.2 | 1.1 | 1.0 | 1.8 | 1.9 |
| Interest and other income | 1.2 | 1.1 | 1.1 | 1.1 | 0.9 |
| Total expenditure | 1.5 | 1.6 | 1.3 | 2.3 | 2.5 |
| Current expenditure | 0.0 | 1.3 | 1.4 | 1.4 | 1.8 |
| Benefit payments | 0.8 | 0.9 | 0.8 | 1.3 | 1.5 |
| Administration | 0.6 | 0.6 | 0.5 | 0.6 | 0.7 |
| Capital expenditure | 0.1 | 0.0 | 0.1 | 0.1 | 0.2 |
| Shares and other long-term investments 1/ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current balance | 1.0 | 0.7 | 0.9 | 0.9 | 0.7 |
| Overall balance | 0.9 | 0.6 | 0.9 | 0.6 | 0.4 |

Sources: Belize authorities; and Fund staff estimates.

1/ In 2000/01 the Social Security Board bought shares of the water authority equivalent to BZ\$6 million from the central government.

Table 22. Belize: Operations of the Nonfinancial Public Enterprises 1/

(In percent of GDP)

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | 7.4 | 4.8 | 2.6 | 1.7 | 1.0 |
| Operating revenue | 7.0 | 4.7 | 2.5 | 1.7 | 1.0 |
| Nonoperating revenue 2/ | 0.3 | 0.1 | 0.1 | 0.0 | 0.0 |
| Expenditure | 9.7 | 4.9 | 3.9 | 2.9 | 1.1 |
| Current expenditure | 6.1 | 3.9 | 2.3 | 1.4 | 0.8 |
| Operating expenditure | 5.4 | 3.4 | 2.1 | 1.2 | 0.7 |
| Nonoperating expenditure 3/ | 0.7 | 0.5 | 0.2 | 0.2 | 0.1 |
| Capital expenditure | 3.6 | 1.0 | 1.6 | 1.5 | 0.3 |
| Operating surplus | 1.6 | 1.3 | 0.4 | 0.6 | 0.3 |
| Current surplus | 1.2 | 0.9 | 0.3 | 0.3 | 0.2 |
| Overall balance | -2.4 | -0.1 | -1.2 | -1.1 | -0.1 |

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

1/ The electricity company was sold to the private sector in October 1999, and the water authority in March 2001. The port was sold during fiscal year 2002/03.

2/ Includes transfers from government.

3/ Includes interest payments.

Table 23. Belize: Civil Service Indicators

| | 1998/99 | 1999/2000 | 2000/01 | 2001/02 | 2002/03 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| (In thousands of Belize dollars) | | | | | |
| Wages and salaries | 151,095 | 157,817 | 162,266 | 173,626 | 182,693 |
| <i>Of which</i> | | | | | |
| Central government | 142,476 | 148,728 | 151,698 | 162,665 | 172,856 |
| <i>Of which</i> | | | | | |
| Health sector | 19,187 | 20,002 | 20,940 | 23,149 | 24,786 |
| Education sector | 47,911 | 48,586 | 53,574 | 59,094 | 61,847 |
| State-owned enterprises | 8,619 | 9,089 | 10,568 | 10,961 | 9,837 |
| Development Finance Corporation | 2,363 | 2,697 | 2,969 | 3,244 | 3,355 |
| Social Security Board | 3,700 | 4,100 | 5,200 | 5,400 | 4,000 |
| Belize Airport Authority | 1,995 | 1,800 | 1,874 | 1,805 | 1,896 |
| Marketing Board | 561 | 491 | 526 | 512 | 586 |
| Pensions | 17,697 | 20,997 | 19,416 | 23,590 | 25,616 |
| <i>Of which</i> | | | | | |
| Central government | 17,697 | 20,997 | 19,416 | 23,590 | 25,616 |
| (In units) | | | | | |
| Public employment | 7,652 | 8,024 | 8,079 | 8,304 | 8,330 |
| <i>Of which</i> | | | | | |
| Central government | 7,143 | 7,517 | 7,586 | 7,796 | 7,789 |
| <i>Of which</i> | | | | | |
| Health sector | 843 | 881 | 927 | 880 | 941 |
| Education sector | 2,567 | 2,674 | 2,757 | 3,039 | 3,098 |
| State-owned enterprises | 509 | 507 | 493 | 508 | 541 |
| Development Finance Corporation | 109 | 124 | 132 | 132 | 127 |
| Social Security Board | 214 | 247 | 223 | 251 | 260 |
| Belize Airport Authority | 160 | 102 | 108 | 103 | 119 |
| Marketing Board | 26 | 34 | 30 | 22 | 35 |
| Memorandum item: | | | | | |
| Average public sector wages | 19.7 | 19.7 | 20.1 | 20.9 | 21.9 |

Source: Belize authorities.

Table 24. Belize: Summary Accounts of the Financial System

(Central Bank + Commercial Banks + Development Finance Corporation)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|--------------|----------------|----------------|
| (In millions of Belize dollars) | | | | | |
| Net foreign assets | 50.3 | 119.5 | 235.9 | 184.4 | 239.5 |
| Of which: international reserves | 73.0 | 126.4 | 227.7 | 205.5 | 206.5 |
| Domestic credit | 726.6 | 755.9 | 939.0 | 1,177.2 | 1,096.3 |
| Credit to the public sector | 96.5 | 46.2 | -2.7 | 66.0 | -142.4 |
| Central government (net) | 132.5 | 104.9 | 52.2 | 110.5 | -94.1 |
| Rest of public sector (net) | -36.0 | -58.7 | -54.9 | -44.5 | -48.2 |
| Credit to private sector | 686.2 | 740.8 | 926.2 | 1,084.9 | 1,280.8 |
| Other assets (net) | -56.0 | -31.1 | 15.5 | 26.4 | -42.2 |
| Foreign liabilities (medium and long term) | 37.8 | 42.8 | 212.5 | 309.9 | 250.6 |
| Liabilities to private sector | 739.2 | 832.6 | 962.3 | 1,051.7 | 1,085.2 |
| Money and quasi-money | 649.8 | 719.8 | 829.8 | 892.7 | 894.5 |
| Money | 180.2 | 212.5 | 270.0 | 306.9 | 295.5 |
| Quasi-money 1/ | 469.6 | 507.3 | 559.8 | 585.7 | 599.0 |
| Foreign currency deposits | 15.4 | 22.7 | 18.7 | 26.3 | 29.3 |
| Capital and reserves | 74.0 | 90.1 | 113.8 | 132.7 | 161.4 |
| Memorandum items: | | | | | |
| Monetary base | 135.2 | 143.2 | 197.4 | 208.4 | 191.2 |
| Foreign reserve coverage | 52.6 | 88.3 | 115.3 | 98.6 | 108.0 |
| (Annual change, as percent of liabilities to the private sector, at the beginning of the period) | | | | | |
| Domestic credit | 13.1 | 4.0 | 22.0 | 24.8 | -7.7 |
| Credit to the public sector | 4.4 | -6.8 | -5.9 | 7.1 | -19.8 |
| Central government (net) | 4.0 | -3.7 | -6.3 | 6.1 | -19.5 |
| Rest of public sector (net) | 0.5 | -3.1 | 0.5 | 1.1 | -0.4 |
| Credit to the private sector | 10.4 | 7.4 | 22.3 | 16.5 | 18.6 |
| (Annual percentage change) | | | | | |
| Liabilities to the private sector | 8.4 | 12.6 | 15.6 | 9.3 | 3.2 |
| Money and quasi-money | 8.3 | 10.8 | 15.3 | 7.6 | 0.2 |
| Money | 14.3 | 17.9 | 27.1 | 13.7 | -3.7 |
| Quasi-money 1/ | 6.6 | 8.0 | 10.3 | 4.6 | 2.3 |
| Capital and reserves | 11.7 | 47.1 | -17.3 | 40.4 | 11.3 |
| (In percent of GDP) | | | | | |
| Domestic credit | 53.2 | 50.9 | 56.4 | 67.4 | 60.2 |
| Credit to the public sector | 7.1 | 3.1 | -0.2 | 3.8 | -7.8 |
| Central government (net) | 9.7 | 7.1 | 3.1 | 6.3 | -5.2 |
| Rest of public sector (net) | -2.6 | -4.0 | -3.3 | -2.5 | -2.6 |
| Credit to the private sector | 50.2 | 49.8 | 55.6 | 62.1 | 70.3 |
| Other assets (net) | -4.1 | -2.1 | 0.9 | 1.5 | -2.3 |
| Liabilities to the private sector | 54.1 | 56.0 | 57.8 | 60.2 | 59.6 |
| Money and quasi-money | 47.5 | 48.4 | 49.8 | 51.1 | 49.1 |
| Money | 13.2 | 14.3 | 16.2 | 17.6 | 16.2 |
| Quasi-money 1/ | 34.4 | 34.1 | 33.6 | 33.5 | 32.9 |
| Capital and reserves | 5.4 | 6.1 | 6.8 | 7.6 | 8.9 |
| (Annual percentage change) | | | | | |
| Memorandum items: | | | | | |
| Monetary base | 8.1 | 5.9 | 37.9 | 5.6 | -8.3 |
| Credit to the private sector | 11.6 | 8.0 | 25.0 | 17.1 | 18.1 |

Source: Central Bank of Belize; Fund staff estimates

Table 25. Belize: Detailed Accounts of the Financial System

(In millions of Belize dollars)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|---------------|--------------|--------------|
| I. Central Bank | | | | | |
| International reserves (net) | 71.1 | 126.4 | 227.7 | 205.5 | 21.0 |
| Assets | 74.3 | 128.5 | 229.3 | 208.4 | 212.5 |
| Liabilities (-) | -3.2 | -2.1 | -1.7 | -2.9 | -6.0 |
| Net domestic assets | 15.5 | -22.7 | -112.5 | -80.2 | -73.9 |
| Credit to nonfinancial public sector (net) | 90.9 | 37.1 | 65.9 | 97.2 | 4.5 |
| Central government (net) | 89.0 | 58.3 | -13.0 | 62.9 | -3.0 |
| Loans and advances | 45.1 | 42.0 | 45.0 | 65.5 | 0.0 |
| Securities | 49.8 | 25.8 | 17.7 | 12.7 | 63.8 |
| Treasury bills | 37.7 | 13.6 | 5.5 | 0.5 | 53.8 |
| Other securities | 12.2 | 12.2 | 12.2 | 12.2 | 10.0 |
| Deposits (-) 1/ | -5.9 | -9.4 | -75.7 | -15.3 | -66.8 |
| Rest of nonfinancial public sector | 1.8 | -21.2 | 78.8 | 34.3 | 7.5 |
| Loans and advances | 2.3 | 1.0 | 84.2 | 84.0 | 15.0 |
| Deposits | -0.4 | -22.2 | -5.4 | -49.7 | -7.5 |
| Net position of commercial banks | -47.7 | -38.8 | -81.8 | -83.0 | -58.6 |
| Advances | 0.9 | 0.6 | 0.4 | 0.2 | 0.0 |
| Deposits (-) | -48.6 | -39.4 | -82.2 | -83.2 | -58.6 |
| Other assets | 7.4 | 7.4 | 6.6 | 32.9 | 31.9 |
| Fixed assets | 3.4 | 3.4 | 2.6 | 30.6 | 30.3 |
| Local bank clearing | 4.0 | 4.0 | 4.0 | 2.4 | 1.6 |
| Other liabilities | -33.1 | -27.7 | -19.1 | -33.8 | -33.2 |
| Capital and reserves | -20.8 | -20.8 | -23.8 | -21.7 | -22.2 |
| Undistributed profits | -6.8 | -6.8 | -4.8 | -4.8 | -4.8 |
| Other liabilities, residual | -5.5 | -0.1 | 9.5 | -7.3 | -6.2 |
| Medium-term external liabilities 1/ | -1.9 | -0.6 | -84.0 | -93.5 | -18.5 |
| Currency issue | 86.7 | 103.8 | 115.2 | 125.3 | 132.7 |
| II. Commercial Banks | | | | | |
| Net foreign assets | -20.8 | -6.9 | 8.2 | -21.1 | 32.9 |
| Foreign assets | 73.8 | 86.3 | 138.7 | 133.7 | 113.5 |
| Foreign liabilities | -94.6 | -93.2 | -130.5 | -154.8 | -80.5 |
| Net claims on central bank | 64.0 | 58.4 | 101.0 | 103.1 | 84.4 |
| Cash in vault | 16.3 | 19.6 | 19.2 | 20.1 | 25.9 |
| Reserve deposits | 48.6 | 39.4 | 82.2 | 83.2 | 58.6 |
| Advances (-) | -0.9 | -0.6 | -0.4 | -0.2 | 0.0 |
| Net domestic credit | 627.2 | 708.3 | 767.3 | 885.2 | 871.5 |
| Nonfinancial public sector (net) | 16.9 | 48.5 | 59.2 | 73.3 | 39.7 |
| Central government (net) | 46.1 | 73.7 | 71.2 | 80.2 | 51.0 |
| Treasury bills and other securities | 55.1 | 78.1 | 86.1 | 87.8 | 56.4 |
| Deposits (-) | -9.0 | -4.5 | -15.9 | -7.7 | -12.0 |
| Rest of public sector (net) | -29.2 | -25.1 | -12.0 | -6.8 | -11.3 |
| Loans and advances | 15.6 | 6.4 | 10.2 | 12.9 | 9.4 |
| Securities | 0.1 | 0.1 | 0.1 | 0.1 | 5.1 |
| Deposits (-) | -44.9 | -31.6 | -22.3 | -19.8 | -25.8 |
| Social Security Board | -31.7 | -17.1 | -8.3 | -12.8 | -14.7 |
| Statutory bodies | -12.0 | -14.1 | -12.8 | -6.4 | -8.9 |
| Other | -1.3 | -0.4 | -1.1 | -0.6 | -2.1 |
| Credit to private sector | 620.2 | 678.9 | 726.9 | 818.2 | 976.0 |
| Other assets net 2/ | -9.8 | -19.1 | -18.8 | -6.4 | -144.1 |
| Liabilities to the private sector | 670.4 | 759.8 | 876.5 | 967.2 | 988.9 |
| Deposits | 596.4 | 669.7 | 762.8 | 834.5 | 827.5 |
| Domestic currency | 581.0 | 647.0 | 744.0 | 808.2 | 798.2 |
| Demand deposits | 111.4 | 139.7 | 184.2 | 222.4 | 199.2 |
| Savings deposits | 128.2 | 141.2 | 173.5 | 203.7 | 197.3 |
| Time deposits | 341.4 | 366.1 | 386.3 | 382.1 | 401.7 |
| Foreign currency | 15.4 | 22.7 | 18.7 | 26.3 | 29.3 |
| Capital and reserves | 74.0 | 90.1 | 113.8 | 132.7 | 161.4 |

Table 25. Belize: Detailed Accounts of the Financial System 1/

(In millions of Belize dollars)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------------|-------------|-------------|--------------|--------------|--------------|
| III. Consolidated Banking System (I+II) | | | | | | |
| Net foreign assets | 87.8 | 3.4 | 3.4 | 2.6 | 30.6 | 30.3 |
| Assets | 174.5 | 4.0 | 4.0 | 4.0 | 2.4 | 1.6 |
| Liabilities | -86.7 | -33.1 | -27.7 | -19.1 | -33.8 | -33.2 |
| Net domestic assets | 603.1 | -6.8 | -6.8 | -4.8 | -4.8 | -4.8 |
| Nonfinancial public sector (net) | 72.2 | -5.5 | -0.1 | 9.5 | -7.3 | -6.2 |
| Central government (net) | 103.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Claims | 152.1 | -1.9 | -0.6 | -84.0 | -93.5 | -18.5 |
| Deposits (-) | -48.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Rest of the nonfinancial public sector | -31.2 | 86.7 | 103.8 | 115.2 | 125.3 | 132.7 |
| Claims | 9.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deposits (-) | -40.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Social Security Board | -22.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other public agencies | -18.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit to private sector | 552.1 | -20.8 | -6.9 | 8.2 | -21.1 | 32.9 |
| Deposits of private financial institutions | -12.3 | 73.8 | 86.3 | 138.7 | 133.7 | 113.5 |
| Other assets (net) 2/ | -8.9 | -89.3 | -71.5 | -102.5 | -76.8 | -80.5 |
| Liabilities to the private sector | 690.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Money and quasi-money | 607.1 | 64.0 | 58.4 | 101.0 | 103.1 | 84.4 |
| Money | 160.6 | 16.3 | 19.6 | 19.2 | 20.1 | 25.9 |
| Currency in circulation | 66.4 | 48.6 | 39.4 | 82.2 | 83.2 | 58.6 |
| Demand deposits | 94.2 | -0.9 | -0.6 | -0.4 | -0.2 | 0.0 |
| Quasi money | 446.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Savings deposits | 123.0 | 627.2 | 708.3 | 767.3 | 885.2 | 871.5 |
| Time deposits | 323.5 | 16.9 | 48.5 | 59.2 | 73.3 | 39.7 |
| Foreign currency deposits | 16.4 | 46.1 | 73.7 | 71.2 | 80.2 | 51.0 |
| Bank capital and reserves | 67.4 | 81.2 | 130.5 | 1.0 | 0.0 | 6.6 |
| IV. Development Finance Corporation | | | | | | |
| Claims on banks | 2.6 | 32.8 | 32.1 | 32.1 | 37.4 | 40.1 |
| Deposits | 2.6 | 6.1 | 6.6 | 10.6 | 9.7 | 8.7 |
| Net claims on central bank | -4.7 | 8.1 | 11.1 | 14.6 | 14.6 | 59.6 |
| Cash and deposits | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| Advances (-) | -5.4 | -9.8 | -19.1 | -18.8 | -6.4 | -144.1 |
| Net domestic credit | 37.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit to nonfinancial public sector | -9.7 | 670.4 | 759.8 | 876.5 | 967.2 | 988.9 |
| Central government (net) | -1.3 | 596.4 | 669.7 | 762.8 | 834.5 | 827.5 |
| Rest of public sector (net) | -8.4 | 581.0 | 647.0 | 744.0 | 808.2 | 798.2 |
| Credit to private sector | 60.8 | 111.4 | 139.7 | 184.2 | 222.4 | 199.2 |
| Capital and reserves | -10.7 | 128.2 | 141.2 | 173.5 | 203.7 | 197.3 |
| Other assets (net) | -3.4 | 341.4 | 366.1 | 386.3 | 382.1 | 401.7 |
| Foreign liabilities (medium and long term) | 34.9 | 74.0 | 90.1 | 113.8 | 132.7 | 161.4 |

Table 25. Belize: Detailed Accounts of the Financial System 1/

(In millions of Belize dollars)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| V. Government Savings Bank | | | | | | |
| Net domestic credit | 8.7 | 9.6 | 10.7 | 11.2 | 11.6 | ... |
| Credit to the central government (net) | 9.3 | 10.2 | 11.3 | 11.8 | 12.2 | ... |
| Official capital and reserves | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 | ... |
| Liabilities to private sector (savings deposits) | 8.7 | 9.6 | 10.7 | 11.2 | 11.6 | ... |
| VI. Credit Unions | | | | | | |
| Claims on banks | 13.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand deposits | 2.4 | -33.5 | -38.1 | -105.7 | -97.5 | -161.0 |
| Time deposits | 10.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net claims on central bank (cash in vault) | 0.3 | 181.8 | 223.9 | 280.2 | 327.6 | 306.0 |
| Net domestic credit | 90.7 | 111.4 | 139.7 | 184.2 | 222.4 | 199.2 |
| Credit to private sector | 97.1 | 469.6 | 507.3 | 559.8 | 585.7 | 599.0 |
| Other assets (net) | -6.4 | 128.2 | 141.2 | 173.5 | 203.7 | 197.3 |
| Liabilities to private sector | 104.2 | 15.4 | 22.7 | 18.7 | 26.3 | 29.3 |
| Share capital | 82.8 | 74.0 | 90.1 | 113.8 | 132.7 | 161.4 |
| Reserves | 21.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| VII. Consolidated Rest of the Financial System (IV+V+VI) | | | | | | |
| Claims on banks | 15.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand deposits | 5.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Time deposits | 10.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Loans (-) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net claims on central bank | -4.4 | 0.1 | 8.8 | 1.4 | 2.5 | 4.4 |
| Cash in vault | 1.0 | -5.7 | -5.4 | -4.5 | -85.3 | -15.0 |
| Advances (-) | -5.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Domestic credit | 136.3 | 1.5 | 2.5 | 8.8 | 18.2 | 6.1 |
| Credit to nonfinancial public sector (net) | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Central government (net) | 7.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Rest of the public sector | -8.4 | 40.0 | 36.2 | 122.8 | 281.0 | 236.5 |
| Credit to private sector | 157.9 | -11.3 | -39.4 | -127.8 | -104.6 | -177.9 |
| Official capital and reserves | -11.3 | -2.7 | -27.1 | -6.1 | -32.6 | -144.6 |
| Unclassified assets (net) | -9.8 | -8.6 | -12.4 | -121.7 | -72.0 | -33.2 |
| Liabilities to private sector | 112.9 | -11.9 | -13.8 | -15.8 | -23.9 | -37.5 |
| Share capital | 82.8 | -2.8 | 27.5 | 67.1 | 142.8 | 147.0 |
| Savings deposits | 8.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other reserves | 21.5 | 35.9 | 42.2 | 128.5 | 216.4 | 232.1 |
| Foreign liabilities (medium and long term) | 34.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Table 25. Belize: Detailed Accounts of the Financial System

(In millions of Belize dollars)

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|------------|------------|------------|------------|------------|
| VIII. Consolidated Financial System (III+VII) | | | | | | |
| Net foreign assets | 87.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Assets | 174.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities (-) | -86.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Domestic credit | 737.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit to nonfinancial public sector (net) | 71.7 | 9.6 | 10.7 | 11.2 | 12.1 | 12.4 |
| Central government (net) | 111.3 | 10.2 | 11.3 | 11.8 | 12.7 | 13.0 |
| Claims | 160.1 | 10.2 | 11.3 | 11.8 | 12.7 | 13.0 |
| Deposits (-) | -48.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Rest of the public sector (net) | -39.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Credit to private sector | 710.0 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 |
| Official capital and reserves | -20.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other assets (net) 3/ | -24.4 | 9.6 | 10.7 | 11.2 | 12.1 | 12.4 |
| Foreign liabilities (medium and long term) | 38.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities to private sector | 786.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Currency in circulation | 65.5 | 14.5 | 18.7 | 30.1 | 43.7 | 51.5 |
| Demand deposits | 89.2 | 2.9 | 3.8 | 3.8 | 5.5 | 6.5 |
| Time deposits | 312.6 | 11.6 | 14.9 | 26.3 | 38.2 | 45.0 |
| Savings deposits | 131.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Foreign currency deposits | 82.8 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Share capital | 16.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Capital and reserves | 88.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Sources: Central Bank of Belize; credit unions; Development Finance Corporation; and Fund staff estimates.

1/ Financing and expenditure related to the construction of the central bank building included in the central government accounts.

2/ Letters of credit, bank acceptances, and bank guarantees included in credit to the private sector.

3/ Includes official capital and reserves and medium-term external liabilities.

Table 26. Belize: Interest Rates 1/

(Annual percentage)

| | Treasury Bill Discount rate | Central Bank Lending rate | Commercial Bank Rates | | | | | Weighted Average | | US\$LIBOR 90-Day | Spread lending minus deposits interest rates | Difference between Belize and international interest rates 3/ |
|-------------|--------------------------------------|------------------------------------|-----------------------|---------------------|-------------------|---------------------|-------------------|------------------|-------|---------------------|---|---|
| | | | Saving deposits | Time deposits 2/ | Personal loans | Commercial loans | Mortgage loans | Deposits | Loans | | | |
| 1998 | | | | | | | | | | | | |
| I | 3.4 | 12.0 | 5.4 | 9.2 | 17.5 | 16.1 | 15.7 | 6.7 | 16.5 | 5.7 | 9.8 | 3.5 |
| II | 3.4 | 12.0 | 5.4 | 8.8 | 17.4 | 16.2 | 15.9 | 6.5 | 16.6 | 5.8 | 10.1 | 3.0 |
| III | 3.4 | 12.0 | 5.5 | 8.5 | 16.9 | 16.5 | 15.9 | 6.2 | 16.5 | 5.6 | 10.3 | 2.9 |
| IV | 5.9 | 12.0 | 5.4 | 8.3 | 16.8 | 16.3 | 15.7 | 6.0 | 16.3 | 5.3 | 10.3 | 3.0 |
| 1999 | | | | | | | | | | | | |
| I | 5.9 | 12.0 | 5.5 | 8.2 | 16.7 | 16.3 | 15.6 | 5.9 | 16.2 | 5.0 | 10.3 | 3.2 |
| II | 5.9 | 12.0 | 5.4 | 8.2 | 16.9 | 16.3 | 15.5 | 5.9 | 16.3 | 5.1 | 10.4 | 3.1 |
| III | 5.9 | 12.0 | 5.4 | 8.0 | 17.1 | 16.2 | 15.4 | 5.7 | 16.3 | 5.6 | 10.6 | 2.4 |
| IV | 5.9 | 12.0 | 5.3 | 8.0 | 16.9 | 16.2 | 15.3 | 5.7 | 16.3 | 6.1 | 10.6 | 1.9 |
| 2000 | | | | | | | | | | | | |
| I | 5.9 | 12.0 | 5.4 | 7.9 | 17.0 | 16.1 | 15.0 | 5.5 | 16.2 | 6.3 | 10.7 | 1.6 |
| II | 5.9 | 12.0 | 5.5 | 7.8 | 16.8 | 15.6 | 15.0 | 5.4 | 16.0 | 6.8 | 10.6 | 1.1 |
| III | 5.9 | 12.0 | 5.4 | 7.6 | 16.8 | 15.5 | 14.7 | 5.3 | 15.9 | 6.8 | 10.6 | 0.8 |
| IV | 5.9 | 12.0 | 5.4 | 7.2 | 16.5 | 15.5 | 14.7 | 5.0 | 15.8 | 6.4 | 10.8 | 0.8 |
| 2001 | | | | | | | | | | | | |
| I | 5.9 | 12.0 | 5.5 | 6.6 | 16.6 | 15.6 | 14.5 | 4.4 | 15.6 | 4.9 | 11.2 | 1.7 |
| II | 5.9 | 12.0 | 5.5 | 6.4 | 16.5 | 15.1 | 14.1 | 4.3 | 15.3 | 3.8 | 11.0 | 2.6 |
| III | 5.9 | 12.0 | 5.4 | 6.1 | 16.4 | 15.0 | 14.0 | 4.2 | 15.3 | 2.6 | 11.1 | 3.5 |
| IV | 5.9 | 12.0 | 5.4 | 6.1 | 16.8 | 14.8 | 14.0 | 4.3 | 15.4 | 1.9 | 11.1 | 4.2 |
| 2002 | | | | | | | | | | | | |
| I | 4.1 | 12.0 | 5.2 | 6.1 | 16.8 | 14.9 | 13.9 | 4.2 | 15.4 | 1.9 | 11.2 | 4.2 |
| II | 3.5 | 12.0 | 5.1 | 6.2 | 16.6 | 14.9 | 13.9 | 4.2 | 15.3 | 1.9 | 11.1 | 4.3 |
| III | 3.3 | 12.0 | 5.1 | 6.2 | 16.4 | 14.8 | 13.8 | 4.2 | 15.1 | 1.8 | 10.9 | 4.4 |
| IV | 3.1 | 12.0 | 5.1 | 6.2 | 16.1 | 14.7 | 13.7 | 4.3 | 14.9 | 1.5 | 10.6 | 4.7 |

Source: Central Bank of Belize.

1/ Quarterly averages.

2/ 90-day time deposits.

3/ Time deposits rate compared with U.S. dollar LIBOR, both for 90-day deposits.

Table 27. Belize: Treasury Securities by Holder

(In millions of Belize dollars, end of period)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|-------------|-------------|-------------|-------------|--------------|
| Total holdings | 87.8 | 93.3 | 93.3 | 93.3 | 123.3 |
| Treasury bills | 70.0 | 70.0 | 70.0 | 70.0 | 100.0 |
| Central Bank of Belize | 38.0 | 13.7 | 5.6 | 0.5 | 54.1 |
| Commercial banks | 32.0 | 55.1 | 63.1 | 64.9 | 33.2 |
| Other 1/ | 0.0 | 1.2 | 1.3 | 4.6 | 12.6 |
| Treasury notes at commercial banks | 17.8 | 23.3 | 23.3 | 23.3 | 23.3 |

Source: Central Bank of Belize.

1/ Includes Caribbean Development Bank.

Table 28. Belize: Sectoral Distribution of Credit to the Private Sector

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------------------|--------------|--------------|----------------|----------------|----------------|
| (In millions of Belize dollars) | | | | | |
| By source | 797.5 | 836.0 | 1,033.2 | 1,215.6 | 1,403.9 |
| Commercial banks 1/ | 625.6 | 654.5 | 695.4 | 788.5 | 904.5 |
| Development Finance Corporation | 66.0 | 61.9 | 199.3 | 266.6 | 304.6 |
| Credit unions | 105.9 | 119.6 | 138.5 | 160.5 | 194.8 |
| By destination | 797.5 | 836.0 | 1,033.2 | 1,215.6 | 1,403.9 |
| Primary sectors | 94.9 | 86.1 | 114.7 | 139.5 | 132.0 |
| Agriculture | 81.1 | 68.4 | 88.1 | 98.1 | 88.7 |
| Sugar | 20.2 | 19.1 | 19.6 | 20.6 | 15.1 |
| Citrus | 36.6 | 24.0 | 26.7 | 23.6 | 20.5 |
| Bananas | 10.3 | 13.6 | 22.4 | 32.1 | 38.4 |
| Rice | 2.5 | 6.1 | 9.2 | 10.0 | 4.3 |
| Other agriculture | 11.5 | 5.6 | 10.2 | 11.8 | 10.3 |
| Other primary | 13.8 | 17.7 | 26.6 | 41.4 | 43.3 |
| Secondary sectors | 188.4 | 200.6 | 281.3 | 318.2 | 318.3 |
| Manufacturing | 41.3 | 53.3 | 50.1 | 49.3 | 25.2 |
| Construction | 147.1 | 150.6 | 231.2 | 268.9 | 293.1 |
| Services | 254.4 | 244.6 | 316.4 | 405.0 | 459.6 |
| Transportation | 19.6 | 29.9 | 35.6 | 73.0 | 58.5 |
| Tourism | 38.3 | 42.3 | 45.3 | 71.4 | 66.1 |
| Trade and commerce | 119.5 | 117.3 | 133.0 | 136.3 | 150.9 |
| Other services | 77.0 | 55.1 | 102.5 | 124.3 | 184.1 |
| Personal 2/ | 259.8 | 304.7 | 320.8 | 352.9 | 493.8 |
| (In percent of total) | | | | | |
| By source | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Commercial banks 1/ | 78.4 | 78.3 | 67.3 | 64.9 | 64.4 |
| Development Finance Corporation | 8.3 | 7.4 | 19.3 | 21.9 | 21.7 |
| Credit unions | 13.3 | 14.3 | 13.4 | 13.2 | 13.9 |
| By destination | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Primary sectors | 11.9 | 10.3 | 11.1 | 11.5 | 9.4 |
| Agriculture | 10.2 | 8.2 | 8.5 | 8.1 | 6.3 |
| Sugar | 2.5 | 2.3 | 1.9 | 1.7 | 1.1 |
| Citrus | 4.6 | 2.9 | 2.6 | 1.9 | 1.5 |
| Bananas | 1.3 | 1.6 | 2.2 | 2.6 | 2.7 |
| Rice | 0.3 | 0.7 | 0.9 | 0.8 | 0.3 |
| Other agriculture | 1.4 | 0.7 | 1.0 | 1.0 | 0.7 |
| Other primary | 1.7 | 2.1 | 2.6 | 3.4 | 3.1 |
| Secondary sectors | 23.6 | 24.0 | 27.2 | 26.2 | 22.7 |
| Manufacturing | 5.2 | 6.4 | 4.8 | 4.1 | 1.8 |
| Construction | 18.4 | 18.0 | 22.4 | 22.1 | 20.9 |
| Services | 31.9 | 29.3 | 30.6 | 33.3 | 32.7 |
| Transportation | 2.5 | 3.6 | 3.4 | 6.0 | 4.2 |
| Tourism | 4.8 | 5.1 | 4.4 | 5.9 | 4.7 |
| Trade and commerce | 15.0 | 14.0 | 12.9 | 11.2 | 10.7 |
| Other services | 9.7 | 6.6 | 9.9 | 10.2 | 13.1 |
| Personal 2/ | 32.6 | 36.4 | 31.0 | 29.0 | 35.2 |

Sources: Central Bank of Belize; Development Finance Corporation; and credit unions.

1/ Loans and advances only.

2/ Includes mortgage loans, credit card balances, and credit union loans.

Table 29. Belize: Commercial Banks' Liquidity Position

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|-------------|-------------|-------------|-------------|-------------|
| (In percent of average deposit liabilities) | | | | | |
| Minimum liquid assets requirement | 24.0 | 24.0 | 24.0 | 24.0 | 24.0 |
| Cash reserve requirement 1/ | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 |
| Other liquid assets requirement 2/ | 19.0 | 19.0 | 19.0 | 19.0 | 18.0 |
| Actual liquid assets | 28.1 | 32.0 | 38.6 | 36.6 | 30.0 |
| Reserves at central bank 1/ | 6.0 | 5.3 | 8.0 | 8.9 | 6.4 |
| Other liquid assets 2/ | 22.1 | 26.7 | 30.6 | 27.7 | 23.6 |
| <i>Of which</i> | | | | | |
| Foreign assets | 9.3 | 10.8 | 14.0 | 10.9 | 11.2 |
| Treasury bills | 6.9 | 6.8 | 7.2 | 6.9 | 3.3 |
| Excess liquidity | 4.1 | 8.0 | 14.6 | 12.6 | 6.0 |
| (In millions of Belize dollars) | | | | | |
| Memorandum items: | | | | | |
| Average deposit liabilities | 722.0 | 791.6 | 903.3 | 968.6 | 1,014.1 |
| Total deposits (end-of-period) | 742.5 | 795.8 | 931.0 | 988.1 | 1,020.0 |
| <i>Of which</i> | | | | | |
| Central government | 9.0 | 4.5 | 15.9 | 7.7 | 7.7 |
| Social Security Board | 31.7 | 17.1 | 8.3 | 12.8 | 12.8 |
| Total loans and advances | 620.2 | 678.9 | 726.9 | 818.2 | 904.5 |
| Credit/deposit ratio | 83.5 | 85.3 | 78.1 | 82.8 | 88.7 |

Source: Central Bank of Belize.

1/ Deposits at the central bank.

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

Table 30. Belize: Balance of Payments

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|---------------|---------------|---------------|
| (In millions of U.S. dollars) | | | | | |
| Current account balance | -41.4 | -71.1 | -155.4 | -156.5 | -159.8 |
| Trade balance | -132.6 | -101.3 | -170.1 | -186.7 | -190.9 |
| Exports, f.o.b. | 194.4 | 264.8 | 291.5 | 273.8 | 307.0 |
| Imports, c.i.f. | -327.0 | -366.1 | -461.6 | -460.5 | -497.9 |
| Services | 84.4 | 32.8 | 17.3 | 38.4 | 52.8 |
| <i>Of which:</i> travel | 78.0 | 69.4 | 77.3 | 81.4 | 86.8 |
| Embassy and military | 13.7 | 11.2 | 9.0 | 15.3 | 6.2 |
| Other | -7.3 | -47.8 | -68.9 | -58.3 | -40.2 |
| Income | -29.1 | -43.6 | -63.0 | -77.6 | -99.7 |
| Public sector interest payments | -13.2 | -16.6 | -27.8 | -43.8 | -54.3 |
| Interest on public debt | -13.2 | -14.4 | -18.4 | -30.9 | -26.6 |
| Interest on mortgage and other securitization | 0.0 | -2.2 | -9.5 | -12.8 | -27.8 |
| Investment income from mortgage sinking funds | 0.0 | 0.5 | 2.6 | 3.4 | 2.1 |
| Other | -15.9 | -27.4 | -37.8 | -37.3 | -47.5 |
| Transfers | 35.9 | 41.0 | 60.3 | 69.5 | 78.1 |
| Private (net) | 27.4 | 31.0 | 51.8 | 60.3 | 64.3 |
| Official (net) | 8.5 | 10.0 | 8.5 | 9.2 | 13.7 |
| Capital account balance | 28.1 | 98.4 | 207.1 | 146.0 | 160.3 |
| Public sector | 15.8 | 82.6 | 210.9 | 115.6 | 122.2 |
| Disbursements | 35.7 | 45.6 | 204.7 | 116.4 | 243.9 |
| Amortization | -19.9 | -19.4 | -33.0 | -47.7 | -145.5 |
| Privatization proceeds | 0.0 | 22.3 | 0.0 | 24.8 | 0.0 |
| Securitization and other | 0.0 | 34.1 | 39.2 | 22.2 | 23.9 |
| Private capital 1/ | 12.3 | 15.7 | -3.8 | 30.4 | 38.0 |
| Commercial banks | 5.1 | -15.2 | -7.5 | 14.7 | -27.0 |
| Other | 7.3 | 30.9 | 3.7 | 15.7 | 65.0 |
| Direct investment and portfolio | 13.5 | 32.4 | 23.3 | 23.4 | 24.8 |
| Other private 1/ | -6.2 | -1.5 | -19.6 | -7.7 | 40.3 |
| Overall balance | -13.3 | 27.3 | 51.7 | -10.5 | 0.5 |
| (In percent of GDP) | | | | | |
| Current account balance | -6.2 | -9.7 | -18.7 | -18.0 | -17.2 |
| Trade balance | -19.8 | -13.8 | -20.4 | -21.5 | -20.6 |
| Capital account | 4.2 | 15.2 | 28.1 | 17.8 | 16.6 |
| Public sector | 2.4 | 11.2 | 25.3 | 13.3 | 13.2 |
| Private sector 1/ | 1.8 | 4.0 | 2.7 | 4.4 | 3.4 |
| Overall balance | -2.0 | 3.7 | 6.2 | -1.2 | 0.1 |
| Public and publicly guaranteed external debt (end of period) | ... | 48.2 | 65.6 | 75.6 | 86.2 |
| (Annual percentage change) | | | | | |
| Export volume | -6.4 | 23.2 | 9.2 | 1.0 | n.a. |
| Import volume | 8.8 | 13.1 | 17.0 | 5.1 | n.a. |
| Terms of trade | -2.7 | 3.8 | -6.6 | 4.0 | 0.8 |
| Public debt service ratio 2/ | 9.8 | 8.2 | 13.5 | 20.6 | 43.0 |
| Gross official reserves 3/ | 1.0 | 1.6 | 2.3 | 2.1 | 2.1 |

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

1/ Includes errors and omissions.

2/ In percent of exports of goods and nonfactor services.

3/ In percent of imports of goods and nonfactor services of the following year.

Table 31. Belize: Principal Domestic Exports 1/
(In millions of U.S. dollars, volume as indicated, unit value in U.S. dollars)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total exports (value) | 194.4 | 240.3 | 259.7 | 255.1 | 291.9 |
| Total domestic exports (value) | 155.3 | 171.6 | 170.5 | 157.8 | 150.7 |
| Main exports (value) | 145.1 | 158.3 | 155.4 | 144.5 | 133.5 |
| Other exports (value) | 10.2 | 11.3 | 15.1 | 13.3 | 17.2 |
| Reexports, f.o.b. | 39.0 | 68.5 | 89.0 | 93.9 | 141.0 |
| Coverage adjustments 2/ | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Sugar | | | | | |
| Value | 44.5 | 43.3 | 37.1 | 29.7 | 32.9 |
| Volume ('000 long tons) | 104.3 | 117.8 | 107.6 | 90.1 | 102.5 |
| Unit value (U.S. cents/lb.) | 19.0 | 16.0 | 15.0 | 14.8 | 14.1 |
| Molasses | | | | | |
| Value | 1.1 | 0.2 | 0.1 | 0.8 | 1.4 |
| Volume (million gallons) | 7.2 | 5.6 | 5.1 | 4.8 | 5.6 |
| Unit value (U.S. cents/gallon) | 15.3 | 3.9 | 2.6 | 17.2 | 24.0 |
| Seafood products | | | | | |
| Value | 21.8 | 27.8 | 33.3 | 31.9 | 33.8 |
| Volume (million pounds) | 4.3 | 5.7 | 6.2 | 7.5 | 7.2 |
| Unit value (U.S. dollars/pound) | 5.1 | 4.9 | 4.7 | 4.3 | 4.7 |
| Banana | | | | | |
| Value | 24.7 | 28.4 | 32.9 | 21.4 | 20.5 |
| Volume (million boxes of 42 lbs.) | 2.7 | 2.7 | 3.1 | 2.3 | 2.4 |
| Unit value (U.S. cents/lb.) | 22.0 | 21.0 | 21.2 | 20.1 | 17.3 |
| Citrus concentrates 3/ | | | | | |
| Value | 21.6 | 27.4 | 25.0 | 38.8 | 27.1 |
| Volume (million gallons) | 3.3 | 3.7 | 5.6 | 5.8 | 3.7 |
| Unit value (U.S. dollars/gallon) | 6.5 | 7.9 | 8.5 | 6.7 | 7.3 |
| Single strength juices 3/ | | | | | |
| Value | 9.0 | 9.5 | 4.7 | 5.5 | 1.7 |
| Volume (million gallons) | 4.1 | 4.3 | 5.0 | 2.7 | 0.7 |
| Unit value (U.S. dollars/gallon) | 2.2 | 2.2 | 2.4 | 2.1 | 2.3 |
| Sawn wood | | | | | |
| Value | 2.7 | 2.1 | 2.4 | 1.2 | 1.3 |
| Volume (million board feet) | 3.1 | 2.1 | 2.4 | 1.0 | 1.0 |
| Unit value (U.S. cents/bd. foot) | 86.6 | 101.0 | 98.1 | 111.7 | 133.9 |
| Garments | | | | | |
| Value | 19.7 | 19.6 | 19.9 | 15.2 | 14.8 |
| Volume ('000 dozens) | 172.0 | 196.7 | 219.0 | 166.7 | 334 |
| Unit value (U.S. dollars/doz.) | 114.5 | 99.6 | 90.9 | 91.2 | 44.3 |
| Memorandum items: | | | | | |
| Total exports (percent change) | -2.8 | 23.6 | 8.1 | -1.8 | 14.4 |
| Total exports (percent of GDP) | 29.1 | 33.0 | 31.6 | 30.0 | 32.3 |

Sources: Central Statistical Office; and Fund staff estimates.

1/ Domestic exports defined as total exports minus reexports.

2/ Exports through parcel post.

3/ Comprises actual sales abroad, net of inventory accumulation abroad.

Table 32. Belize: Domestic Exports by Standard
International Trade Classification Category

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|
| (In thousands of U.S. dollars) | | | | | |
| Total domestic exports, f.o.b. 1/ | 156.4 | 169.6 | 199.5 | 162.7 | 158.3 |
| Food | 130.6 | 146.7 | 175.8 | 144.2 | 134.3 |
| Crude material | 3.1 | 2.6 | 2.7 | 1.6 | 1.7 |
| Chemicals | 0.3 | 0.1 | 0.2 | 0.3 | 0.9 |
| Manufactured goods | 0.6 | 0.3 | 0.3 | 0.4 | 5.8 |
| Machinery and equipment | 0.0 | 0.2 | 0.3 | 0.7 | 0.5 |
| Miscellaneous manufactures | 21.7 | 19.7 | 20.2 | 15.5 | 15.2 |
| (In percent of total exports) | | | | | |
| Total domestic exports, f.o.b. 1/ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Food | 83.4 | 86.5 | 88.1 | 88.6 | 84.8 |
| Crude material | 2.0 | 1.5 | 1.3 | 1.0 | 1.1 |
| Chemicals | 0.2 | 0.1 | 0.1 | 0.2 | 0.6 |
| Manufactured goods | 0.4 | 0.2 | 0.2 | 0.2 | 3.7 |
| Machinery and equipment | 0.0 | 0.1 | 0.2 | 0.4 | 0.3 |
| Miscellaneous manufactures | 13.9 | 11.6 | 10.1 | 9.5 | 9.6 |
| Memorandum item: | | | | | |
| Domestic exports as percent of GDP | 24.8 | 24.7 | 25.8 | 19.1 | 17.5 |

Sources: Central Statistical Office; and Fund staff estimates.

1/ Domestic exports defined as total exports minus reexports.

Table 33. Belize: Retained Imports by Standard International Trade Classification Category

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|
| (In millions of U.S. dollars) | | | | | |
| Gross imports, c.i.f. 1/ | 295.2 | 369.6 | 532.4 | 525.9 | 537.3 |
| Temporary imports 2/ | 24.1 | 50.7 | 13.2 | 8.1 | 12.1 |
| Retained imports, c.i.f. 1/ | 271.1 | 318.9 | 468.0 | 454.4 | 416.7 |
| Food and live animals | 47.9 | 48.6 | 51.2 | 58.7 | 53.5 |
| Beverages and tobacco | 2.2 | 3.9 | 3.2 | 3.8 | 4.1 |
| Crude materials | 1.9 | 2.6 | 4.0 | 5.7 | 3.7 |
| Mineral, fuels and lubricants | 15.2 | 26.6 | 85.9 | 75.8 | 57.6 |
| Animal and vegetable oils | 1.7 | 1.9 | 1.9 | 1.6 | 1.5 |
| Chemicals and related products | 30.5 | 32.7 | 41.8 | 35.5 | 42.3 |
| Manufactured goods: materials | 54.9 | 56.2 | 71.7 | 67.9 | 63.9 |
| Machinery and transport equipment | 69.4 | 98.1 | 117.2 | 113.7 | 96.6 |
| Miscellaneous manufactured articles | 36.0 | 40.4 | 32.2 | 37.4 | 39.9 |
| Commodities and transactions N.E.C. 3/ | 11.3 | 7.9 | 58.9 | 54.3 | 53.6 |
| (In percent of total retained imports) | | | | | |
| Retained imports, c.i.f. 1/ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Food and live animals | 17.7 | 15.2 | 10.9 | 12.9 | 12.8 |
| Beverages and tobacco | 0.8 | 1.2 | 0.7 | 0.8 | 1.0 |
| Crude materials | 0.7 | 0.8 | 0.8 | 1.2 | 0.9 |
| Mineral, fuels and lubricants | 5.6 | 8.3 | 18.4 | 16.7 | 13.8 |
| Animal and vegetable oils | 0.6 | 0.6 | 0.4 | 0.4 | 0.4 |
| Chemicals and related products | 11.3 | 10.3 | 8.9 | 7.8 | 10.1 |
| Manufactured goods: materials | 20.2 | 17.6 | 15.3 | 14.9 | 15.3 |
| Machinery and transport equipment | 25.6 | 30.8 | 25.1 | 25.0 | 23.2 |
| Miscellaneous manufactured articles | 13.3 | 12.7 | 6.9 | 8.2 | 9.6 |
| Commodities and transactions N.E.C. 3/ | 4.2 | 2.5 | 12.6 | 12.0 | 12.9 |
| Memorandum items | | | | | |
| Retained imports | | | | | |
| Percentage change | 7.1 | 17.6 | 0.47 | -0.03 | -0.08 |
| In percent of GDP | 40.6 | 43.7 | 56.2 | 52.0 | 44.3 |
| Gross imports | | | | | |
| Percentage change | 3.1 | 25.2 | 1.4 | 1.0 | 1.0 |
| In percent of GDP | 48.9 | 51.0 | 63.9 | 60.2 | 57.1 |

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

1/ Includes imports through parcel post and electricity.

2/ Starting in 1997 with the opening of the Corozal free trade zone discrepancies arose between temporary imports and reexports.

3/ Commodities & Transactions N.E.C. from 2000 to 2002 includes transactions for Export Processing Zones and electricity purchased from Mexico.

Table 34. Belize: Sugar Exports by Destination

(In millions of U.S. dollars; volume in thousands of long tons; prices in U.S. cents per pound)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------|-------|------|-------|
| Total sugar exports | | | | | |
| Value | 44.5 | 43.3 | 37.1 | 29.7 | 32.9 |
| Volume | 104.3 | 117.8 | 107.6 | 90.1 | 102.5 |
| Unit Value (U.S. cents/lb.) | 19.0 | 16.0 | 15.0 | 15.0 | 14.1 |
| United States | | | | | |
| Value | 7.2 | 5.5 | 4.1 | 4.4 | 4.8 |
| Volume | 15.9 | 13.7 | 11.0 | 10.9 | 11.0 |
| Unit Value (U.S. cents/lb.) | 20.2 | 20.3 | 17.0 | 18.2 | 19.4 |
| European Union | | | | | |
| Value | 28.7 | 29.2 | 25.8 | 18.8 | 21.9 |
| Volume | 54.6 | 57.4 | 54.9 | 44.6 | 48.9 |
| Unit Value (U.S. cents/lb.) | 23.5 | 22.7 | 21.0 | 20.0 | 20.0 |
| Free market | | | | | |
| Value | 8.6 | 8.6 | 7.2 | 7.0 | 7.0 |
| Volume | 33.8 | 46.7 | 41.7 | 34.6 | 42.6 |
| Unit Value (U.S. cents/lb.) | 11.3 | 8.4 | 7.9 | 9.1 | 7.3 |
| Memorandum item: | | | | | |
| Share of sugar exports in domestic exports (in percent) | 28.6 | 25.2 | 21.7 | 18.4 | 21.8 |

Sources: Central Statistical Office; and Fund staff estimates.

Table 35. Belize: Visitor Arrivals 1/

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|----------------|----------------|----------------|----------------|----------------|
| Total arrivals | 277,006 | 387,491 | 428,399 | 447,689 | 458,210 |
| <i>Of which</i> | | | | | |
| Tourists | 119,400 | 167,033 | 180,760 | 195,955 | 199,521 |
| Origin | | | | | |
| United States | 110,404 | 142,383 | 167,848 | 166,276 | 139,747 |
| Continental Europe | 25,795 | 32,493 | 36,363 | 35,135 | 32,218 |
| Canada | 11,657 | 12,657 | 15,026 | 15,233 | 13,709 |
| United Kingdom | 11,223 | 11,864 | 23,169 | 12,706 | 13,619 |
| Central America | 76,260 | 97,822 | 105,811 | 130,034 | 168,401 |
| Other | 41,667 | 90,222 | 80,182 | 88,305 | 90,516 |
| Arrivals | | | | | |
| By air | 106,482 | 153,414 | 171,435 | 174,201 | 174,038 |
| By land | 144,486 | 185,334 | 191,595 | 212,753 | 253,107 |
| By sea | 26,038 | 47,743 | 65,369 | 60,735 | 31,065 |
| Tourism receipts (US\$ million) | 99.1 | 114.4 | 122.0 | 120.5 | 132.8 |
| Total arrivals (percentage change) | -26.0 | 39.9 | 10.6 | 4.5 | 2.4 |
| <i>Of which</i> | | | | | |
| Tourists | 6.4 | 39.9 | 8.2 | 8.4 | 1.8 |
| Tourism receipts | 2.7 | 15.4 | 6.6 | -1.2 | 10.2 |

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

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

Table 36. Belize: Direction of Trade

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| (In millions of U.S. dollars) | | | | | |
| Domestic exports, f.o.b. 1/ | 155.3 | 171.6 | 210.4 | 162.7 | 158.3 |
| United States 2/ | 64.2 | 70.5 | 104.2 | 84.3 | 84.1 |
| United Kingdom | 50.6 | 55.3 | 60.5 | 39.0 | 39.0 |
| Other European Union 3/ | 18.1 | 23.3 | 22.0 | 11.4 | 14.8 |
| Canada | 1.1 | 3.2 | 0.4 | 1.2 | 0.9 |
| Mexico | 0.9 | 1.0 | 1.4 | 1.2 | 1.9 |
| CARICOM | 11.4 | 9.8 | 9.0 | 10.8 | 11.2 |
| Other | 9.1 | 7.5 | 12.8 | 14.9 | 6.5 |
| Total imports, c.i.f. | 327.0 | 378.7 | 524.3 | 516.8 | 524.5 |
| United States | 159.4 | 192.7 | 261.8 | 237.0 | 226.9 |
| United Kingdom | 13.9 | 15.6 | 12.7 | 11.0 | 14.1 |
| Other European Union | 15.7 | 13.7 | 26.1 | 26.4 | 27.2 |
| Canada | 34.8 | 5.4 | 9.5 | 5.3 | 16.1 |
| Mexico | 15.1 | 45.9 | 42.9 | 43.5 | 40.9 |
| CARICOM | 10.7 | 13.1 | 14.9 | 20.8 | 15.9 |
| Other | 77.4 | 92.3 | 156.4 | 172.8 | 183.4 |
| (In percent of total) | | | | | |
| Domestic exports, f.o.b. 1/ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| United States | 41.3 | 41.1 | 60.7 | 49.1 | 49.0 |
| United Kingdom | 32.6 | 32.2 | 35.3 | 22.7 | 22.7 |
| Other European Union | 11.6 | 13.6 | 12.8 | 6.6 | 8.6 |
| Canada | 0.7 | 1.9 | 0.3 | 0.7 | 0.5 |
| Mexico | 0.6 | 0.6 | 0.8 | 0.7 | 1.1 |
| CARICOM | 7.3 | 5.7 | 5.2 | 6.3 | 6.5 |
| Other | 5.8 | 4.4 | 7.4 | 8.7 | 3.8 |
| Total imports, c.i.f. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| United States | 48.7 | 50.9 | 49.9 | 45.9 | 43.3 |
| United Kingdom | 4.2 | 4.1 | 2.4 | 2.1 | 2.7 |
| Other European Union | 4.8 | 3.6 | 5.0 | 5.1 | 5.2 |
| Canada | 10.7 | 1.4 | 1.8 | 1.0 | 3.1 |
| Mexico | 4.6 | 12.1 | 8.2 | 8.4 | 7.8 |
| CARICOM | 3.3 | 3.5 | 2.8 | 4.0 | 3.0 |
| Other | 23.7 | 24.4 | 29.8 | 33.4 | 35.0 |

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

1/ Domestic exports defined as total exports minus reexports.

2/ Net of orange juice inventory accumulation during 2000 of about US\$ 11.5 million.

3/ Net of orange juice inventory accumulation during 2000 of about US\$ 18.1 million.

Table 37. Belize: Public and Publicly Guaranteed Debt

| | 1999 | 2000 | 2001 | 2002 |
|---|--------------|--------------|--------------|--------------|
| (In millions of U.S. dollars) | | | | |
| Debt outstanding (end-of-period) | 389.8 | 595.9 | 724.8 | 816.5 |
| Domestic debt 1/ | 35.4 | 50.0 | 67.7 | 16.4 |
| External debt | 354.3 | 546.0 | 657.1 | 800.1 |
| Public sector debt | 253.3 | 375.2 | 413.8 | 489.4 |
| Central government | 192.9 | 305.2 | 341.3 | 470.6 |
| Rest of the public sector | 46.1 | 17.2 | 24.2 | 8.1 |
| CBB | 14.3 | 52.8 | 48.4 | 10.7 |
| Publicly guaranteed external debt | 101.0 | 170.8 | 243.2 | 310.7 |
| DFC 1/ | 69.9 | 141.3 | 201.5 | 254.7 |
| Privatized public enterprises | 31.1 | 29.4 | 41.8 | 56.0 |
| (In percent of GDP) | | | | |
| Debt outstanding (end-of-period) | 53.1 | 71.6 | 83.4 | 88.0 |
| Domestic debt 2/ | 4.8 | 6.0 | 7.8 | 1.8 |
| External debt | 48.2 | 65.6 | 75.6 | 86.2 |
| Public sector debt | 34.5 | 45.1 | 47.6 | 52.7 |
| Central government | 26.3 | 36.6 | 39.3 | 50.7 |
| Rest of the public sector | 6.3 | 2.1 | 2.8 | 0.9 |
| CBB | 1.9 | 6.3 | 5.6 | 1.2 |
| Publicly guaranteed external debt | 13.8 | 20.5 | 28.0 | 33.5 |
| DFC 1/ | 9.5 | 17.0 | 23.2 | 27.4 |
| Privatized public enterprises | 4.2 | 3.5 | 4.8 | 6.0 |
| Memorandum items: | | | | |
| Sinking funds (in millions of US dollars) | 8.0 | 28.7 | 28.7 | 50.2 |
| Sinking funds (in percent of GDP) | 1.1 | 3.4 | 3.3 | 5.4 |

Source: Central Bank of Belize.

1/ Includes DFC securitization and other DFC external debt.

2/ Excludes debt between public sector entities.

Table 38. Belize: External Debt by Creditor and Borrowing Agency

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|--------------|--------------|--------------|--------------|--------------|
| (In millions of U.S. dollars) | | | | | |
| Amount outstanding (end-of-period) 1/ | 258.4 | 354.3 | 546.0 | 657.1 | 800.1 |
| Public debt by creditor | 258.4 | 253.3 | 375.2 | 413.8 | 489.4 |
| Official | 203.0 | 197.7 | 183.1 | 212.3 | 244.9 |
| Caribbean Development Bank | ... | ... | ... | 18.8 | 22.6 |
| Inter-American Development Bank | ... | ... | ... | 34.3 | 48.6 |
| European Union | ... | ... | ... | 7.7 | 8.8 |
| World Bank | ... | ... | ... | 32.2 | 36.6 |
| United Kingdom Government | ... | ... | ... | 11.0 | 9.8 |
| United States Government | ... | ... | ... | 7.5 | 6.7 |
| Commonwealth Development Corporation | ... | ... | ... | 0.0 | 0.0 |
| Venezuela (FIVEN and FINEXPO) | ... | ... | ... | 1.0 | 1.3 |
| OPEC | ... | ... | ... | 2.0 | 3.5 |
| China | ... | ... | ... | 0.1 | 0.1 |
| International Fund for Agricultural Development | ... | ... | ... | 1.1 | 1.0 |
| Government of Spain | ... | ... | ... | 0.4 | 0.2 |
| Government of Taiwan (POC) | ... | ... | ... | 71.3 | 91.8 |
| Government of Kuwait | ... | ... | ... | 10.7 | 13.9 |
| Other | ... | ... | ... | 14.3 | 0.0 |
| Other | 55.4 | 55.7 | 192.1 | 201.5 | 244.5 |
| Banks | 47.4 | 47.9 | 170.7 | 180.9 | 233.0 |
| Suppliers | 8.0 | 7.8 | 21.4 | 20.6 | 11.5 |
| Publicly guaranteed debt 2/ | 0.0 | 101.0 | 170.8 | 243.2 | 310.7 |
| Public debt by debtor | 258.4 | 253.3 | 375.2 | 413.8 | 489.4 |
| Nonfinancial public sector | 222.3 | 239.0 | 322.4 | 365.4 | 478.7 |
| Central government | 178.5 | 192.9 | 305.2 | 341.3 | 470.6 |
| Rest of nonfinancial public sector | 43.8 | 46.1 | 17.2 | 24.2 | 8.1 |
| Financial Public Sector 3/ | 36.1 | 14.3 | 52.8 | 48.4 | 10.7 |
| Publicly guaranteed debt 2/ | 0.0 | 101.0 | 170.8 | 243.2 | 310.7 |
| (In percent of total) | | | | | |
| By creditor 4/ | | | | | |
| Official | 78.5 | 78.0 | 48.8 | 51.3 | 50.0 |
| Other | 21.5 | 22.0 | 51.2 | 48.7 | 50.0 |
| By debtor 4/ | | | | | |
| Public sector | | | | | |
| Nonfinancial public sector | 86.0 | 94.4 | 85.9 | 88.3 | 97.8 |
| Central government | 69.1 | 76.1 | 81.3 | 82.5 | 96.2 |
| Rest of nonfinancial public sector | 16.9 | 18.2 | 4.6 | 5.8 | 1.7 |
| Financial public sector | 14.0 | 5.6 | 14.1 | 11.7 | 2.2 |

Source: Central Bank of Belize.

1/ Includes public and publicly guaranteed external debt.

2/ Includes the guaranteed debt of BEL, WASA, and securitization operations of DFC/SSB.

3/ Includes the Central Bank of Belize

4/ Distribution of public debt only.

Table 39. Belize: Indices of Effective Exchange Rate 1/

(Indices 1990 = 100)

| | Nominal effective exchange rate | Real effective exchange rate 2/ |
|--------------------|------------------------------------|------------------------------------|
| Quarterly averages | | |
| 1998 | | |
| I | 120.7 | 94.9 |
| II | 122.4 | 96.6 |
| III | 124.0 | 98.0 |
| IV | 125.1 | 100.7 |
| 1999 | | |
| I | 124.6 | 101.4 |
| II | 125.0 | 101.3 |
| III | 128.4 | 103.2 |
| IV | 129.4 | 103.1 |
| 2000 | | |
| I | 131.6 | 103.9 |
| II | 132.0 | 103.6 |
| III | 134.5 | 105.0 |
| IV | 134.7 | 103.9 |
| 2001 | | |
| I | 135.4 | 103.5 |
| II | 131.7 | 100.1 |
| III | 134.0 | 101.4 |
| IV | 136.1 | 101.5 |
| 2002 | | |
| I | 135.9 | 100.3 |
| II | 135.1 | 99.2 |
| III | 136.8 | 100.0 |
| IV | 139.6 | 101.6 |
| Annual averages | | |
| 1998 | 123.1 | 97.6 |
| 1999 | 126.8 | 102.3 |
| 2000 | 133.2 | 104.1 |
| 2001 | 134.3 | 101.6 |
| 2002 | 136.8 | 100.3 |

Sources: IMF *Information Notice System*; and Fund staff estimates.

1/ Trade weighted, an increase (decrease) indicates appreciation (depreciation).

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