

**Belize: Selected Issues and Statistical Appendix**

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BELIZE

**Selected Issues and Statistical Appendix**

Prepared by a staff team consisting of B. Fritz-Krockow (Head),  
L. Breuer, J. Gil-Diaz, E. Vesperoni, and M. Zermeño (all WHD)

Approved by Western Hemisphere Department

June 20, 2001

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## Belize: Basic Data

### I. Social and Demographic Indicators

Area (sq. km)	22,972	Access to safe water (most recent year)	
Arable land (percent of land area, 1996)	3	Percent of population	
		Urban (1999)	100.0
Population (most recent year)		Rural (1999)	69.0
Total (in thousands, end-1999)	232	Education (most recent year)	
Annual rate of growth, recent period (percent a year, 1999)	1.9	Adult literacy rate, in percent (1998)	75.5
Density (per sq. km., 1996)	9.8	Gross enrollment rates, in percent	
GDP per capita in US\$ (1999)	2,873	Primary education (1994)	121
		Secondary education (1994)	49
		Tertiary education (1996)	1
Population characteristics (most recent year)		GDP (millions of Belize dollars, 2000)	1,641.1
Life expectancy at birth (in years, 1998)	75	GDP (millions of U.S. dollars, 2000)	820.6
Crude birth rate (per thousand, 1997)	32		
Crude death rate (per thousand, 1997)	5		
Infant mortality (per thousand live births, 1997)	32		
Under 5 mortality rate (per thousand, 1997)	40		
Health (most recent year)			
Population per physician (1998)	1,538		
Population per hospital bed (1998)	435		
Population per nurse (1998)	592		

### II. Economic Indicators, 1996-2000

	1996	1997	1998	1999	2000
(In percent of GDP)					
<b>Origin of GDP</b>					
Agriculture and mining	18.5	19.5	18.4	19.6	20.5
Manufacturing and construction	21.4	21.0	19.9	19.8	20.0
Services	45.1	44.2	44.0	44.0	42.9
Other	15.0	15.3	17.7	16.6	16.6
(Annual percentage changes, unless otherwise indicated)					
<b>National accounts and prices</b>					
Real GDP	1.4	3.2	1.5	6.5	10.4
Real GDP per capita	-0.5	0.0	-0.2	3.0	7.5
GDP deflator	4.5	-0.8	-0.3	5.2	0.2
Consumer price index (period average)	6.3	1.1	-0.9	-1.1	0.7
Consumer price index (end of period)	6.4	-0.6	-0.8	-1.1	1.0
Unemployment rate (in percent)	13.9	12.7	14.3	12.8	11.5
(Ratios to GDP)					
Gross domestic investment	19.2	24.8	25.8	27.5	31.6
Of which: public investment	7.7	10.6	12.5	12.8	14.8
Gross national savings	18.2	21.3	19.6	18.4	15.5
External savings	1.1	3.5	6.2	9.0	16.1
Private consumption	62.4	60.2	61.3	64.2	70.0
Public consumption	20.2	19.9	20.2	17.9	15.3
<b>Public finances (fiscal year, beginning April)</b>					
<b>Central government</b>					
Total revenue	24.0	22.9	23.5	20.9	22.2
Total expenditure	26.8	26.6	28.5	30.9	31.4
Of which: interest	2.0	1.9	2.0	2.0	2.4
Current savings	1.8	2.7	2.4	1.3	2.2
Overall balance	-2.5	-2.4	-3.8	-8.5	-9.2
Central government borrowing requirement	2.5	2.4	3.8	4.7	6.0
<b>Consolidated public sector</b>					
Current savings	4.0	5.5	4.6	2.8	3.7
Overall balance	-2.2	-4.2	-6.0	-8.2	-9.7
Public sector borrowing requirement	2.2	4.2	6.0	4.3	6.4

## Belize: Basic Data

	1996	1997	1998	1999	2000
(12-month percentage changes, unless otherwise indicated)					
<b>Money and credit 1/</b>					
Liabilities to private sector	6.2	9.4	7.2	13.9	15.2
<i>Of which:</i>					
Money	4.5	1.4	13.2	23.2	25.1
Quasi money	4.0	11.0	5.2	8.0	10.3
Net domestic assets of the banking system 2/	-4.3	12.6	15.1	6.1	0.3
<i>Of which:</i>					
Credit to the public sector (net)	-10.8	2.0	5.1	-1.8	-5.4
Credit to the private sector	6.5	10.5	9.6	7.9	5.7
Money and quasi money (in percent of GDP)	44.4	46.8	48.7	49.2	51.2
Average lending rate (in percent)	16.3	16.5	16.4	16.2	15.8
(In millions of U.S. dollars, unless otherwise indicated)					
<b>Balance of payments</b>					
Current account	-6.8	-22.7	-41.4	-67.2	-131.9
Merchandise trade balance	-86.4	-112.7	-132.6	-165.5	-240.4
Exports	171.5	200.0	194.4	213.2	212.2
Imports	-257.7	-312.7	-327.0	-378.7	-452.6
Services and transfers (net)	79.4	90.0	91.2	98.3	108.6
<i>Of which: interest on public debt</i>	-8.1	-10.3	-13.2	-14.5	-18.4
Capital and financial account	28.0	22.3	28.1	94.9	182.5
Foreign direct investment	14.5	8.0	13.5	20.0	6.9
Other capital (net)	14.0	14.3	14.6	74.9	175.6
Other private 3/	-13.3	-22.8	-6.2	14.1	-27.9
Change in net international reserves (- increase)	-21.2	0.4	13.3	-27.7	-50.6
Exports (in percent of GDP)	27.2	30.8	29.1	28.3	25.8
Imports (in percent of GDP)	-40.8	-48.2	-48.9	-50.4	-55.1
Current account (in percent of GDP)	-1.1	-3.5	-6.2	-9.0	-16.1
Merchandise exports (in US\$, annual percentage change)	4.3	16.7	-2.8	9.6	-0.4
Merchandise imports (in US\$, annual percentage change)	-2.7	21.4	4.6	15.8	19.5
Terms of trade (annual percentage change)	2.2	-5.9	8.5	-12.5	-10.7
Real effective exchange rate (12-month percentage change) 4/	4.1	3.1	-4.2	-0.3	3.8
<b>International reserve position and external debt (as of December 31, 2000)</b>					
Gross official reserves	51.0	52.5	37.2	64.2	114.7
(in months of imports)	1.5	1.5	1.0	1.5	2.5
Net official reserves	49.2	48.8	35.6	63.2	113.8
Net reserves of the banking system	52.5	43.9	25.2	59.8	117.9
Outstanding external debt, in percent of GDP 5/	35.1	37.5	39.4	48.4	67.4
Total debt service ratio (in percent of exports of GNFS) 6/	9.6	9.1	9.8	9.6	10.5
<i>Of which: interest</i>	2.6	3.0	3.9	3.9	4.8
Gross reserves/short-term debt (in percent)	247.4	263.3	171.3	292.0	400.2
<b>IMF data (June 15, 2001)</b>					
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	
SDR department					
Net cumulative allocation				none	
Holdings				SDR 1.29 million	

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

1/ Includes banking system only.

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

3/ Includes errors and omissions.

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

5/ Public debt and publicly guaranteed debt.

6/ Service obligations on public debt.

## I. RECENT ECONOMIC DEVELOPMENTS<sup>1</sup>

### A. Introduction

1. The five chapters in this Selected Issues and Statistical Appendix paper provide background information and analysis of recent economic developments and relevant issues in Belize. This chapter provides an overview of economic developments in the past five years, with emphasis on the last two. Chapter II discusses the main differences between the high growth experiences in the late 1980s, and during 1999–2000. Chapter III describes recent developments in the export sector, analyzes their growth prospects, and points to policy changes that may help improve Belize's competitiveness. The recent changes in the social security system and implications for its actuarial position are discussed in Chapter IV. Finally, Chapter V describes the recent build-up of external debt, and reviews its policy implications.

### B. Overview

2. In an effort to return to the high economic growth rates that Belize experienced during the late 1980s, the authorities have in recent years sought to achieve and sustain high economic growth through low taxes and high public investment. In addition, in the past two years, they have sought to provide credit to the private sector at below market rates through the Development Finance Corporation (DFC) and the Social Security Board (SSB).<sup>2</sup> Following a period of sluggish growth during 1996–98, the economy rebounded strongly in 1999 and the recovery continued in 2000, despite the damaging effects that hurricane Keith inflicted on Belize in September 2000 (Statistical Appendix Tables 1–10). Meanwhile, the authorities have faced difficulties in raising the public savings while capital outlays have increased significantly, with the nonfinancial public sector deficit widening from 2.2 percent of GDP in FY 1996/97 to 9.7 percent in FY 2000/01.<sup>3</sup> Despite large privatization proceeds, the public sector borrowing requirement has remained large (Statistical Appendix Tables 14 and 15). As a result, the public external debt has increased fast, including on commercial terms, and the external vulnerability indicators have deteriorated rapidly, particularly in the past two years (Statistical Appendix Table 38).

3. Following a period of moderate growth, upon taking office in 1998, the present administration identified the resumption of high economic growth as its main economic priority. In 1999, real GDP growth increased to 6.4 percent and accelerated to 10.4 percent

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<sup>1</sup> Prepared by Mayra Zermeño.

<sup>2</sup> For a comparison of the late 1980s and 1999–2000 growth experiences see Chapter II.

<sup>3</sup> Fiscal year starts on April 1.

in 2000.<sup>4</sup> The recovery reflected a large expansion in agricultural output, strong growth in tourism, and public investment mainly in housing and roads. After a period of moderate price deflation during 1997–99, consumer prices rose by 1 percent in 2000 aided by the fixed exchange rate of BZ\$2 per U.S. dollar, in effect since 1976 (Statistical Appendix Tables 11–13). The real effective exchange rate has remained broadly stable during the past two years (Statistical Appendix Table 40).

4. The main differences between the high growth experience of the late 1980s and the recent rebound of economic growth are presented in Chapter II. In particular, while the 1980s were characterized by a significant improvement in the fiscal position, large inflows of direct foreign investment, and declining external debt, over the past two years the nonfinancial public sector's savings performance has deteriorated and the external debt risen sharply.

5. Current savings in the central government declined in the past five years, reflecting a reduction in tax collection and increased current expenditure (Statistical Appendix Tables 16–20). Following a significant increase of tax revenue in 1996 with the introduction of a VAT, tax revenue started to decline in relation to GDP due to the exemption of goods from the VAT base, income tax and import duty exemptions, and weak tax administration. Moreover, in an effort to promote economic growth, in 1999 the current administration replaced the VAT with a sales tax at a much lower rate, reduced excise taxes, and lowered the rates of the business tax.

6. The authorities have faced difficulties in controlling current expenditure. Following a major retrenchment of civil servants in 1994–95, employment in the central government has increased as the demand for schools, health, and police services rose. At the same time, public sector real wages increased (see Chapter III). External interest payments increased due to higher public external debt.<sup>5</sup>

7. Public sector investment rose sharply from 8.2 percent of GDP in FY1996/97 to 15.5 percent in FY2000/01. The investment program during this period included a major expansion of the road system, including the Southern and Hummingbird highways, the implementation of several social sector projects, as well as the construction of a new central bank building. There were important investments by Belize Electricity Limited in electricity generation and transmission and by the water and airport authorities, and also improvements at the ports. In the past two years, the authorities have been implementing a large housing construction program.

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<sup>4</sup> Real growth data should be interpreted with caution. In particular, real growth in 2000 might be overstated. For a more detailed discussion, see Chapter II.

<sup>5</sup> Current expenditure declined in relation to GDP during the last two years, reflecting the rapid growth of real GDP and reclassification of expenditure from current to capital outlays.

8. The expansion and improvement in infrastructure that took place in the last five years are likely to have had a positive impact on Belize's competitiveness as discussed in Chapter III. However, by reducing the rate of the sales, business, and excise taxes, the authorities increased their reliance on the fuel tax and on the price of telephone services, which in turn have a direct impact on the cost of doing business in Belize.

9. The authorities have made significant progress in their privatization program. In particular, the electricity company was privatized in 1999 and the water authority in 2001. The authorities are also considering the sale of the Belize port in 2001 and other ports soon after. The privatizations are expected to bring efficiency gains to the economy and a reduction in the cost of doing business in Belize (see Chapter III).

10. With the decline in savings and the large investment program, and despite large privatization proceeds, the borrowing requirement of the central government and the public enterprises remained large in the past two years, notwithstanding an increase in the cash surplus of the SSB from 0.7 percent of GDP in FY 1999/2000 to about 1 percent in FY 2000/01 (Statistical Appendix Table 21 and 22). Nevertheless, the public sector borrowing requirement rose to 6.4 percent of GDP in FY 2000/01, compared to 4.3 percent the year before.

11. On January 1, 2001 the SSB implemented a broad reform of the social security system. All existing old-age pensions were increased by at least 20 percent, and sickness, injury and maternity benefits were also raised. At the same time, contributions were hiked for the first time since 1981 through an increase in the maximum taxable income. The details of the reform and its expected impact on the actuarial position of the system, as well as the investment portfolio of the SSB, are discussed in Chapter IV.

12. Over the past two years, the authorities have expanded the role of the DFC by increasing lending activities to the private sector. In particular, the DFC's portfolio of housing construction loans increased from BZ\$28.1 million in 1998 to BZ\$71.1 million in 2000, and lending to agriculture and industry rose from BZ\$26.4 million to BZ\$93 million during the same period. The expansion of the DFC's lending activities has been financed by external commercial borrowing and through receivables securitization of mortgages and other loan portfolio assets.<sup>6</sup> In addition, the SSB also increased its crop financing to the banana and citrus growers and to credit unions for the provision of mortgages. The DFC and the SSB have been providing financing to the private sector at interest rates of 10–11.5 percent, below the average commercial bank rate of 16 percent and with longer maturities.

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<sup>6</sup> The securitization operations carry an explicit government guarantee and have therefore been included in the publicly guaranteed external debt (see Chapter V).

13. In the monetary sector, the central bank lowered the cash reserve requirement in 1998 and expanded the range of assets that would satisfy the liquid asset requirement in 1999, with a view to narrowing the spread between commercial bank deposit and lending interest rates and easing up credit conditions (Statistical Appendix Tables 23–25). The average deposit and lending rates at commercial banks declined slightly during 1999–2000, but the spread continued to grow. Broad money increased in relation to GDP reflecting the liquidity increase associated with the external borrowing, particularly to finance the DFC's activities. This in turn, has exacerbated the liquidity overhang in the economy, undermining confidence in the exchange rate peg and widening the spread in the parallel foreign exchange market. Financial system credit to the private sector also increased in relation to GDP during 1999–2000, reflecting the sharp increase in lending activity by the DFC.

14. The net domestic assets of the central bank declined by BZ\$128 million (147.6 percent of currency at end-1998) during 1999–2000, reflecting a large build-up of central government deposits from the proceeds of external loans, and notwithstanding the issuance of credit by the central bank to the DFC of BZ\$84.5 million in 2000. The rapid expansion of deposits by the central government contributed to an increase in net international reserves of US\$78 million (or 9.5 percent of GDP) over the last two years.

15. There has been a significant widening of the external current account deficit, particularly during 1999–2000 (Statistical Appendix Tables 29–35). The value of merchandise exports and tourism grew after 1997, despite significant declines in export prices, reflecting rapid growth in banana and citrus shipments as well as in tourism activities (see Chapter III). Imports rose moderately during 1996–98 as the economy grew at a slow pace, but they expanded fast with the rebound of economic activity in 1999–2000, and as a result of government spending including for the reconstruction after Hurricane Keith hit Belize in the fall of 2000. As a result, the external current account deficit increased from 1.1 percent of GDP in 1996 to 16.1 percent of GDP in 2000.

16. The external current account deficit was more than fully financed in 1999–2000 through public sector borrowing, privatization inflows, and other direct foreign investments. Public external borrowing, mostly on commercial terms, was contracted to finance the large fiscal deficits, and external public and publicly guaranteed debt increased from 39 percent of GDP in 1998 to 67 percent of GDP in 2000 (Statistical Appendix Tables 38 and 39). Despite the large increase in net international reserves in the past two years, the external vulnerability indicators deteriorated due to the sharp increase in external debt. Moreover, the debt and debt service indicators will remain at high levels for some time to come even as policies are put in place to ensure macroeconomic stability (see Chapter V).

17. Belize's poverty and social indicators compare favorably with those of neighboring countries, although poverty affects indigenous groups in the south more severely. The authorities' strategy for poverty reduction focuses on employment generation through economic growth, improved access to and quality of social services, and the provision of low-income housing. In the context of an ambitious housing construction and home improvement program, the authorities have built or financed the construction of around 2,500 new houses and 100 home improvements in the past three years.

## **II. ECONOMIC GROWTH: COMPARISON OF THE LATE 1980S AND 1990–2000<sup>7</sup>**

### **A. Background**

18. Real GDP growth in Belize averaged 10.4 percent in 1987–90, falling to 4.6 percent in 1991–98. With the recent acceleration of economic growth to 6.5 percent in 1999 and 10.4 percent in 2000 it could be argued that the country has returned to a period of rapid growth like the one it experienced in the late 1980s. The objective of this chapter is to compare Belize's economic conditions during the rapid expansion in the late 1980s with those during the past two years. The analysis can help clarify the conditions for medium-term growth in Belize.

19. The growth period 1987–90 was characterized by a significant increase in domestic savings that resulted from prudent fiscal policies. The boom in economic activity was led by the private sector and was reflected in a significant recovery in private investment during the period, spawned in part by high export prices. As a result of the prudent fiscal policies and the fast growth, the ratio of external debt to GDP fell by 7 percentage points of GDP, providing an additional boost to private sector confidence and investment through a reduction in perceived vulnerability.

20. In contrast with the expansion in the late 1980s, the high economic growth rates during 1999–2000 were characterized by the lowest domestic savings and the highest external current account deficits in the past 15 years. Part of the explanation for the fall in domestic savings is the widening public sector deficit, the highest since the mid-1980s. The recent expansion has been driven by public investment and publicly financed private investment. Though private investment increased in 1999–2000, it was still below the levels reached in the late 1980s and was aided by financing through the state-owned DFC. The large public sector deficits and the public sector financing activities have augmented public and publicly guaranteed external debt from 39 percent of GDP in 1998 to 67 percent in 2000.

21. To discuss in more detail the differences between the two high growth periods, this chapter focuses on the evolution of savings and investment in Belize, its relation to fiscal policy and the consequences for the external vulnerability of the economy. The chapter is organized as follows. Section B compares the relation between growth, investment, the fiscal policy stance, and the external position and financing issues. Section C compares vulnerability indicators and Section D offers some concluding comments.

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<sup>7</sup> Prepared by Esteban Vesperoni.

## **B. Growth, Private Investment and Macroeconomic Policies**

22. Following a successful fiscal adjustment program supported by a Stand-By Arrangement in 1985–86, the Belizean economy recorded real GDP growth in excess of 10 percent on average during the remainder of the decade. This recovery was the result of private sector investment in the banana and citrus industries, and housing and tourism-related construction (Figure 1.1). Public sector investment concentrated on infrastructure, electricity and telecommunication services, which complemented and supported private investment during the expansion while public savings increased to almost 12 percent of GDP in 1990 (Figure 1.2). In comparison, the 1999–2000 rebound was mainly related to a public housing construction program, fishing and citrus activities, and trade and tourism.<sup>8</sup>

23. The strong economic performance in the late 1980s was associated with a solid fiscal position, characterized by improvements in tax collections and reductions in current expenditure (Figure 2.1).<sup>9</sup>

24. Tax revenue rose in the late 1980s because of higher gasoline taxation and increases in import duties, and by 1990 tax revenue was almost 2 percentage points of GDP above the 1986 level. Tax relief policies were initially put in place in the early 1990s, through a reduction in personal income taxation and the granting of holidays for income, state and stamp taxes to foreign companies. These policies reduced the revenue to GDP ratio, but they did not lead to a notable recovery in economic activity (Figure 2.2). Additional tax relief measures were implemented during FY 1998/99 and FY 1999/2000, which included lower corporate taxes and increases in the minimum personal income tax threshold and personal allowances and by 2000, tax revenue in relation to GDP fell to its lowest level in 15 years.

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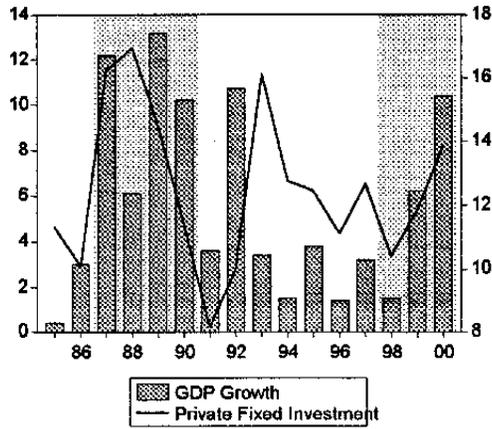
<sup>8</sup> Real GDP growth was high in 1998–2000, though the numbers should be interpreted cautiously. The national accounts present shortcomings related to the use of a methodology based on the structure of economic activity in the base year (1984), as well as inadequate information about prices. Though calculations may be accurate for the 1980s, the methodology may be overestimating GDP growth in recent years, especially in 2000. The citrus industry is a good example of the problems with the GDP statistics. The representative basket of goods in the base year only includes the production of juice concentrates. Single-strength juice production, which is an important component of the citrus agro-industrial activity, is not included in GDP calculations. During 2000, the production of concentrates increased sharply, while the production of single-strength juice stagnated. This change in the production mix is recorded as a stronger expansion in the citrus sector than the one that really took place.

<sup>9</sup> For the expansionary impact of fiscal contractions, see, for example, A. Alesina and R. Perotti (1997) and A. Alesina and S. Ardagna (1998).

**Belize. Growth and Investment**

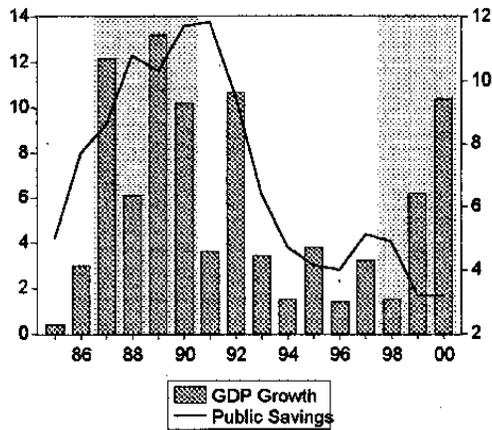
**Figure 1.1**

**GDP Growth and Private Investment**



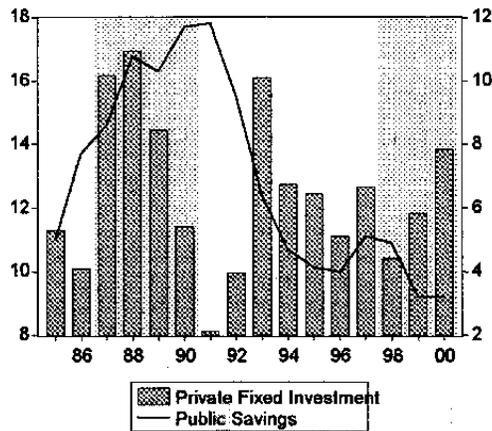
**Figure 1.2**

**GDP Growth and Public Savings**



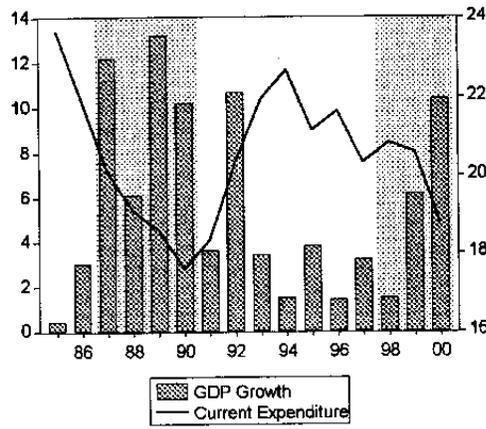
**Figure 1.3**

**Private Investment and Public Savings**

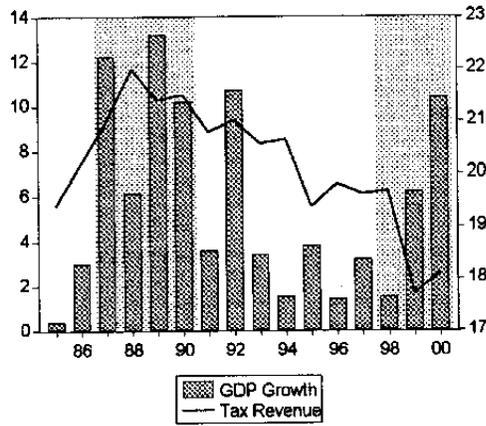


**Belize. Fiscal Position**

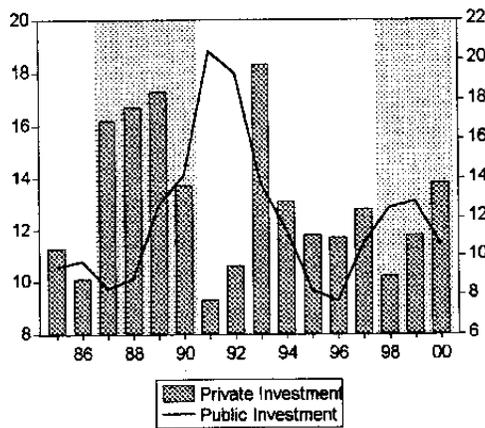
**Figure 2.1**  
**GDP Growth and Current Expenditure**



**Figure 2.2**  
**GDP Growth and Tax Revenue**



**Figure 2.3**  
**Public and Private Investment**



25. There was a reduction in public current expenditure of 6 percentage points of GDP during 1986–90. This was accomplished through a reduction of purchases of goods and services, cuts in transfers, and lower interest payments that resulted from a decline in government debt (see below). In contrast, current expenditure was higher in terms of GDP in 2000 than in 1990.

26. Another characteristic of the expansion in the late 1980s was the shift in the use of domestic credit resources away from the public sector to finance the private sector. While the stock of bank credit to the private sector represented about 90 percent of bank liabilities to the private sector (LPS) in 1986–87, it reached more than 110 percent in 1990 (Figure 3.3). At the same time, the stock of public credit was reduced by more than 40 percent of LPS during the period. The situation in 2000 was quite different. The stock of domestic credit to the private sector reached the lowest level in the period at about 75 percent of LPS, while the stock of domestic credit to the public sector has remained at around 100 percent of LPS since 1994.

27. The economic expansion in the late 1980s relied on a sharp recovery in domestic savings, which increased from 19 percent of GDP in 1985 to 31 percent of GDP in 1987. External savings did not play any significant role until 1989, when the external current account deficit reached 5 percent of GDP (Figure 3.1). In contrast, the recovery in 1999–2000 was mainly financed through external savings and the current account deficit reached 16 percent of GDP in 2000, the highest level during the 1985–2000 period. At the same time, domestic savings fell to its lowest level, 13 percent of GDP, less than half the 1987 level.

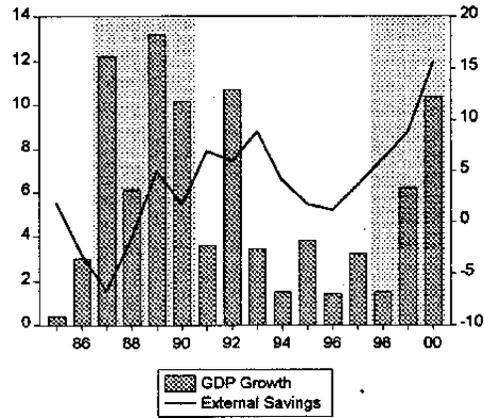
28. As the economy became dependent on external savings from 1989, these were evenly distributed between the private and the public sectors (Figure 3.2). However, the subsequent fall in public savings crowded out private investment during most of the remainder of the 1990s. By 2000, the external current account of the private sector turned negative for only the second time in ten years, though most of the current account deficit was still explained by the public sector. The current account of the private sector can be explained by a fall in private savings, which dropped from 12.6 percent of GDP in 1999 to 9.8 percent in 2000.<sup>10</sup>

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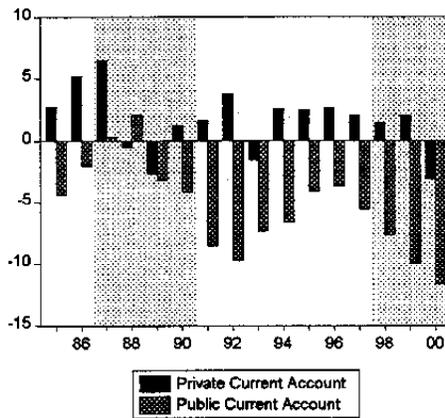
<sup>10</sup> It is important to understand the reasons behind the decline in private savings, though it is beyond the scope of this chapter. The decline could be related to a change in wealth perceptions. There is no fundamental reason for wealth revaluation in Belize e.g., from new discoveries of natural resources. However, the literature on international finance suggests that substantial improvements in access to financial markets may affect future wealth perceptions on the part of agents (Mc Kinnon and Pill (1997)). Belize increased its external debt by 26 percent of GDP during 2000, in part as a result of borrowing to finance a 10 percent of GDP increase in credit to the private sector through the state-owned DFC.

**Belize. External Position and Financing**

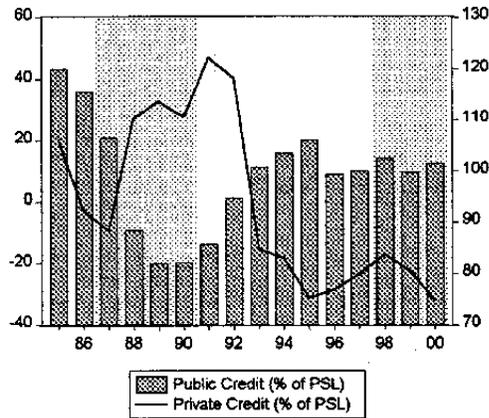
**Figure 3.1  
GDP Growth and External Savings**



**Figure 3.2  
Private and Public Current Account**



**Figure 3.3  
Private and Public Credit**



29. The expansion in 1987–90 was underpinned by relatively high, albeit falling export prices for Belizean products (Figure 4.3).<sup>11</sup> On average, export prices were 30 percent higher in the period 1987–90 than in 1999–2000, and prices have tended continuously downward during 1985–2000. Looking forward, export prices will also be affected by the elimination of preferential agreements in some of the key export markets (mainly sugar and bananas) during the next five years.

### **C. Vulnerability Indicators**

30. As a consequence of the increase in public savings as well as the economic boom during the second half of the 1980s, external public and publicly guaranteed debt fell from 45 percent of GDP in 1985 to 38 percent in 1990 (Figure 4.1), while external debt service fell from 13 percent of GDP to 6.5 percent (Figure 4.2). The evolution of these vulnerability indicators may have played an important role in the 1980s, increasing private investor confidence in the economic outlook for Belize. In contrast, the expansion in 1999–2000 was financed through external borrowing. With the increase in external debt and debt service, the deterioration in the vulnerability indicators could lead to a contraction in economic activity if private investor confidence is affected.

### **D. Conclusion**

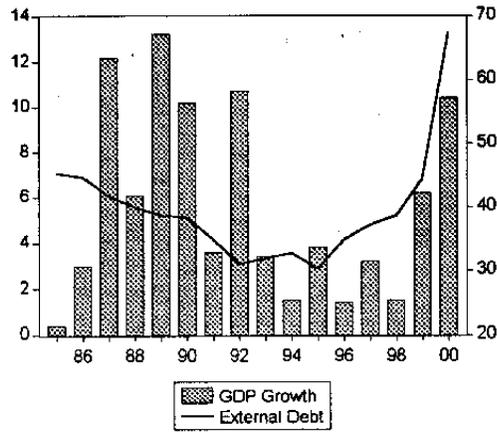
31. Comparing the main macroeconomic trends in the period 1985–2000, the evidence would suggest that the economic expansion in 1999–2000 is fundamentally different from the experience in the 1980. The experience in Belize since 1985 suggests that expansionary fiscal policies are not necessarily related to sustainable growth. On the contrary, the high-growth phase of 1987–90 was associated with a contractionary fiscal impulse. For the medium term, the upsurge of external debt in the past two years has increased the economy's vulnerability and could make it unlikely that the 1999–2000 recovery could be sustained through further external financing (see Chapters III and V).

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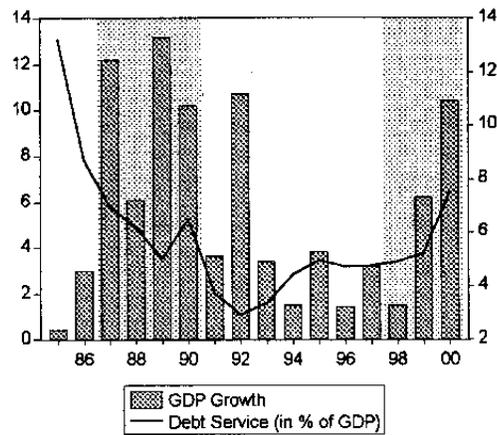
<sup>11</sup> This is a composite index of the price of seven export goods, deflated by the evolution of the consumer price index in Belize.

**Belize. Vulnerability Indicators**

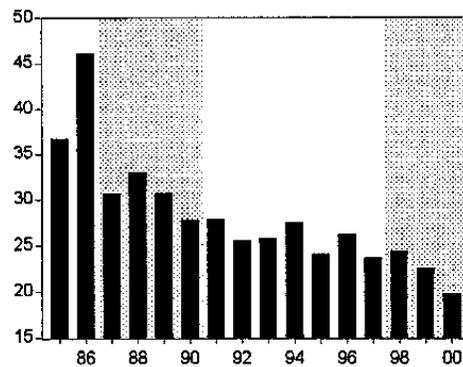
**Figure 4.1  
GDP Growth and External Debt**



**Figure 4.2  
GDP Growth and Debt Service**



**Figure 4.3  
Main Exports Prices**



### References

Alesina, Alberto and R. Perotti "Fiscal Adjustment in OECD Countries: Composition and Macroeconomic Effects," IMF Staff Papers, June 1997.

\_\_\_\_\_, Alberto and Silvia Ardagna "Fiscal Adjustments: Why They Can Be Expansionary," Economic Policy: A European Forum, October 1998.

Mc Kinnon, Ronald and Huw Pill "Credible Economic Liberalizations and Overborrowing," American Economic Review, 1997.

### **III. TOWARD AN EXPORT-LED GROWTH STRATEGY <sup>12</sup>**

#### **A. Introduction**

32. In the past few years, merchandise exports and tourism have expanded at comparatively high rates, supported by private sector investment and the expansion of basic infrastructure. Belize is a small economy with limited prospects for growth through expansion of domestic demand, and faces uncertainty about the preferential access for its traditional exports in some export markets. Thus, export diversification is needed for sustained economic growth, employment generation, and poverty reduction. To this end, the economy needs to remain competitive and attract foreign direct investment, which in turn will require policies aimed at correcting the fiscal and external imbalances.

33. In Section B of this chapter, the recent performance of Belize's export sector is reviewed, identifying the main obstacles for growth. Section C analyzes the main policies affecting Belize's competitiveness and makes recommendations to improve it. Section D provides the concluding remarks.

#### **B. The Export Sector**

34. During 1995–2000 the value of merchandise exports increased by 5.2 percent per year, notwithstanding declining export prices. While Belize's traditional exports, banana, sugar, and citrus products, accounted for about 53 percent of total merchandise exports during this period, nontraditional exports grew at an annual rate of 16.3 percent during the past five years, while tourism receipts rose at an annual rate of 9.5 percent (Table III.1).

35. In the banana subsector, export volume expanded by 9 percent a year during 1995–2000 (Statistical Appendix Table 31). This increase was spurred by the action taken by Belize's banana industry in anticipation of the changes in the EU preferential market that have been expected for sometime. In April 2001, the United States and the EU agreed on a revision of the European banana regime for Asian, Caribbean, and Pacific (ACP) countries. The regime change will maintain import quotas in the EU market based on historical deliveries until 2006, when a tariff-only regime will be introduced. Belizean producers expect that the transition regime will benefit them and expect to be internationally competitive by 2006. To this end, new planting by large farmers has been supported by technical assistance from the EU directed at increasing productivity. The local producers expect to increase production from 85 million tons in 2000 to 100 million tons in 2003, which is an optimal production volume for Belize that minimizes transport costs. Although Belize would still face steep competition from more efficient producers in Costa Rica and Ecuador, it would strengthen its competitive position vis-à-vis banana producers in the Caribbean basin.

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<sup>12</sup> Prepared by Mayra Zermeño.

Table III.1 Export, Tourism, and Real Effective Exchange Rate Statistics 1995–2000

	1995	1996	1997	1998	1999	2000	Average Annual Growth Rate
( In million of U.S. dollars, unless specified otherwise)							
Merchandise exports	164.4	171.5	200.0	194.4	213.2	212.2	5.2
Non-traditional exports	7.2	12.6	9.2	10.2	13.2	15.3	16.3
Tourist receipts	77.6	83.6	86.5	86.6	111.4	122.0	9.5
Tourist arrivals (in thousand)	101.0	93.9	134.3	137.4	139.2	157.0	9.2
Export prices (1998=100)	92.1	101.4	102.5	100.0	110.5	110.1	
Export volume (1998=100)	88.1	96.6	106.8	100.0	123.2	134.5	
REER (1990=100) 1/	95.5	100.6	103.7	103.4	100.9	102.4	
REER origin of tourist arrivals (1990=100) 2/	90.0	91.7	90.9	89.1	88.7	88.3	
REER tourist competitors (1990=100) 3/	99.8	98.1	92.6	90.7	86.4	83.0	

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

1/ Fund INS definition.

2/ Weighted by the main countries from which tourists come to Belize.

3/ Weighted by Belize's main competitors in tourism.

36. In the citrus industry, major investments in tree planting have been taking place and orange production has increased in the past five years (Statistical Appendix Table 5). These investments responded to the continued preferential access for Belizean producers in the United States, and also to the financing provided by the EU to upgrade production facilities. The industry faces major challenges as citrus processing is reaching capacity limits and faces electricity shortages. In addition, citrus processing is facing strong competition from Brazilian producers and profit margins have been declining, reducing the incentives to expand production capacity.

37. In the sugar industry, the volume of shipments increased by 3 percent a year during 1995–2000 but the average export price declined by 33 percent during the same period (Statistical Appendix Table 34). Prices declined in all markets for Belizean sugar, and the share of exports going to the preferential U.S. and EU markets, fell from 75 percent in 1995 to 61 percent in 2000. In response to the uncertainty regarding the future of the preferential markets, the government has been working with the sugarcane growers' associations to raise productivity, as the refinery costs are high, the transport system inefficient, and the electricity supply unreliable. In addition, the traditional system of cane-

delivery licensing has led to a secondary market that has increased production costs.<sup>13</sup> The authorities have already announced their intention to eliminate the licensing system.

38. The volume of shrimp exports has increased by 30 percent per year in the past five years (Statistical Appendix Table 8). The shrimp farming industry started in the 1980s but it has developed into an important export activity only recently. Shrimp farming is capital intensive and access to financing represents a major challenge for future development. Moreover, it has been supported by tax holidays that may not be sustainable.

39. In tourism, in addition to major improvements in basic infrastructure, a new marketing and advertising strategy has contributed to an increase in tourist arrivals (Table III.1). However, Belize only has limited hotel accommodations, mostly at small establishments, and few direct flights from the principal U.S. market. A large-scale expansion of the sector, for which there is a market, would require major investments in airport facilities and hotels. Cruise-ship arrivals have increased rapidly from a very small base and are projected to expand further with the completion of a new tourism complex in Belize City. This complex will provide docking facilities, duty-free shopping, and more convenient arrangements for land excursions to archeological sites and eco-tourism areas.

40. The prospects for rapid export and tourism growth must be seen in the light of the uncertainty regarding access to preferential markets and capacity constraints in citrus processing, shrimp farming, tourism infrastructure, and electricity supply. To overcome these capacity constraints significant direct foreign investment is needed. To this end, the authorities' efforts should be directed at improving competitiveness, and facilitating export diversification.

### **C. Macroeconomic Policy and Competitiveness**

41. The recent economic policy stance has led to large fiscal deficits and a liquidity overhang that could undermine the country's competitiveness and export growth (Chapter I). In particular, the unsatisfied demand for foreign exchange is undermining the sustainability of the exchange rate peg, while the current tax system is dependent on taxes that affect competitiveness.

#### **C.1 Recent factors improving competitiveness**

42. In the past five years, the growth in export and tourism has benefited from improvements and expansion of the highway network, the two main airports, and the seaports. The completion of a major project linking Belize's electric grid to Mexico's has expanded the electricity supply sources since 1999. In addition, major projects by the water

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<sup>13</sup> Under the cane-delivery licensing system, licenses are granted to individuals to deliver cane to the sugar mill, based on historical cane-delivery volumes and not on actual sugar cane-production volume.

authority completed in Belize City and San Pedro have increased the coverage of water and sewage services significantly.

43. Exporters also have benefited in recent years from loans from the DFC and SSB at rates below those offered by commercial banks. In particular, the DFC expanded its portfolio in agriculture and industry from BZ\$26 million at end-1998 to BZ\$93 million at end-2000, and the SSB increased its loan portfolio to banana and citrus growers by about 80 percent to BZ\$21.7 million during the same period. These institutions provide financing to exporters at interest rates between 10 percent and 11.5 percent, compared with an average lending rate of 16 percent charged by commercial banks.

44. Labor costs declined in Belize during 1995–99. Real wages in the private sector declined at an annual average rate of 1.3 percent during the period, mainly as a result of immigration from neighboring Central American countries and Cuba since the mid-1990s (Table III.2). In particular, Cuban engineers and construction workers have been employed in housing construction in the past two years. However, public sector wages increased across the board faster than inflation.

45. The real effective exchange rate of the Belizean dollar (based on trading partners) appreciated by about 7 percent during 1995–2000, despite the very low consumer price inflation in Belize during that period. However, it appears that the negative impact of the appreciation on export growth has been partly offset by improvements in productivity, mainly resulting from investments in infrastructure. In contrast, the real effective exchange rate based on tourism competitors depreciated by 17 percent during the same period, and the real effective exchange rate based on country of origin of tourist arrivals depreciated by about 2 percent (Table III.1 and Figure III.1). This may have contributed to the rapid growth in tourist arrivals, as Belize has become a more affordable destination than most of its competitors.

## **C. 2 Measures to improve competitiveness**

46. Despite the recent improvements in competitiveness in Belize, there are still a number of policy changes required to make the expansion of export activities sustainable. In particular, Belize has a trade regime that is more restrictive than its neighbors, an unsatisfied demand for foreign exchange by the private sector, and higher fuel prices, electricity tariffs, and telephone rates.

47. Import tariff protection declined with the implementation of the CARICOM agreement during 1996–2000. Upon the completion of the third stage of the agreement in April 1998, the maximum tariff rate declined to 25 percent and on April 1, 2000, the authorities implemented the last stage of the agreement, reducing the maximum tariff rate to 20 percent. However, quantitative import restrictions still apply to about 29 product categories, including food items. Although Belize's ranking of trade restrictiveness at 5 is

Table III.2 Monthly Wages and CPI

(In Belize dollars, unless otherwise specified)

	1995	1996	1997	1998	1999	Annual Average Growth Rate (In percent)
<b>Private sector</b>						
<b>Primary sector</b>						
Mean	595.0	565.0	560.0	555.0	600.0	0.2
Median	460.0	450.0	435.0	435.0	460.0	0.0
<b>Secondary sector</b>						
Mean	815.0	835.0	805.0	805.0	825.0	0.3
Median	685.0	675.0	680.0	685.0	665.0	-0.7
<b>Service sector</b>						
Mean	885.0	890.0	850.0	890.0	890.0	0.1
Median	700.0	710.0	685.0	705.0	710.0	0.4
<b>Private sector labor cost in nominal terms 1/ (1995=100)</b>	100.0	99.8	95.7	98.1	100.0	0.0
<b>Private sector labor cost in real terms 2/ (1995=100)</b>	100.0	93.9	89.1	92.1	95.0	-1.3
<b>Public sector nominal wages 3/</b>						
Head of department	2,713.0	2,794.0	3,144.0	3,207.0	3,207.0	4.3
Doctor						
Medical office 1	2,170.0	2,235.0	2,280.0	2,326.0	2,326.0	1.8
Medical office 2	2,037.0	2,098.0	2,140.0	2,183.0	2,183.0	1.7
Executive engineer	1,718.0	1,770.0	1,805.0	1,841.0	1,841.0	1.7
Economist	1,718.0	1,770.0	1,805.0	1,841.0	1,841.0	1.7
Police constable	679.0	709.0	723.0	737.0	737.0	2.1
Teacher	1,011.0	1,058.0	1,079.0	1,101.0	1,101.0	2.2
Secretary	911.0	953.0	972.0	991.0	991.0	2.1
Practical nurse	679.0	709.0	723.0	737.0	737.0	2.1
Janitor	502.0	524.0	534.0	545.0	545.0	2.1
<b>Public sector nominal wages including merit increases 4/</b>						
Head of department	2,878.2	2,964.2	3,435.5	3,607.3	3,715.5	6.6
Doctor						
Medical office 1	2,302.2	2,371.1	2,491.4	2,616.0	2,694.4	4.0
Medical office 2	2,161.1	2,225.8	2,338.4	2,455.3	2,529.0	4.0
Executive engineer	1,822.6	1,877.8	1,972.4	2,071.0	2,133.2	4.0
Economist	1,822.6	1,877.8	1,972.4	2,071.0	2,133.2	4.0
Police constable	720.4	752.2	790.0	829.5	854.4	4.4
Teacher	1,072.6	1,122.4	1,179.1	1,238.1	1,275.2	4.4
Secretary	996.5	1,011.0	1,062.1	1,115.2	1,148.7	3.6
Practical nurse	720.4	752.2	790.0	829.5	854.4	4.4
Janitor	532.6	555.9	583.5	612.7	631.1	4.3
<b>CPI (1990=100)</b>	112.0	119.1	120.3	119.3	118.0	1.3

Sources: Central Statistical Office (CSO); Ministry of Finance; and Fund staff estimates

1/ Calculated as a weighted average of the three economic sectors using as weights the share of each sector in GDP.

2/ Calculated as the average labor cost deflated by the average CPI.

3/ Corresponds to the base salary for each of the occupations listed.

4/ Calculated as the average salary for each of the occupations and including a 3 percent merit increase each year except in 1996 when no merit increase was granted.

comparable to that of other CARICOM members, it is higher than in the neighboring Central American countries (Table III.3). The authorities should make efforts to open up the trade regime further by replacing the quantitative restrictions with import tariffs. This measure would facilitate trade and improve tax revenue collection.

Table III.3. Average Tariff and Trade Restrictiveness  
Ranking in Selected Countries in 2001

Country	Simple average tariff	Trade restrictiveness ranking 1/
Antigua and Barbuda	19.5	6
Bahamas, The	34.0	5
Barbados	13.6	5
<b>Belize</b>	<b>11.2</b>	<b>5</b>
Costa Rica	7.0	4
El Salvador	5.6	4
Grenada	16.2	6
Guatemala 2/	7.3	4
Guyana	10.6	2
Honduras	7.6	1
Jamaica	8.9	4
Nicaragua 2/	4.2	4
Panama	9.2	1
St. Lucia	14.1	5

Source: Fund staff estimates.

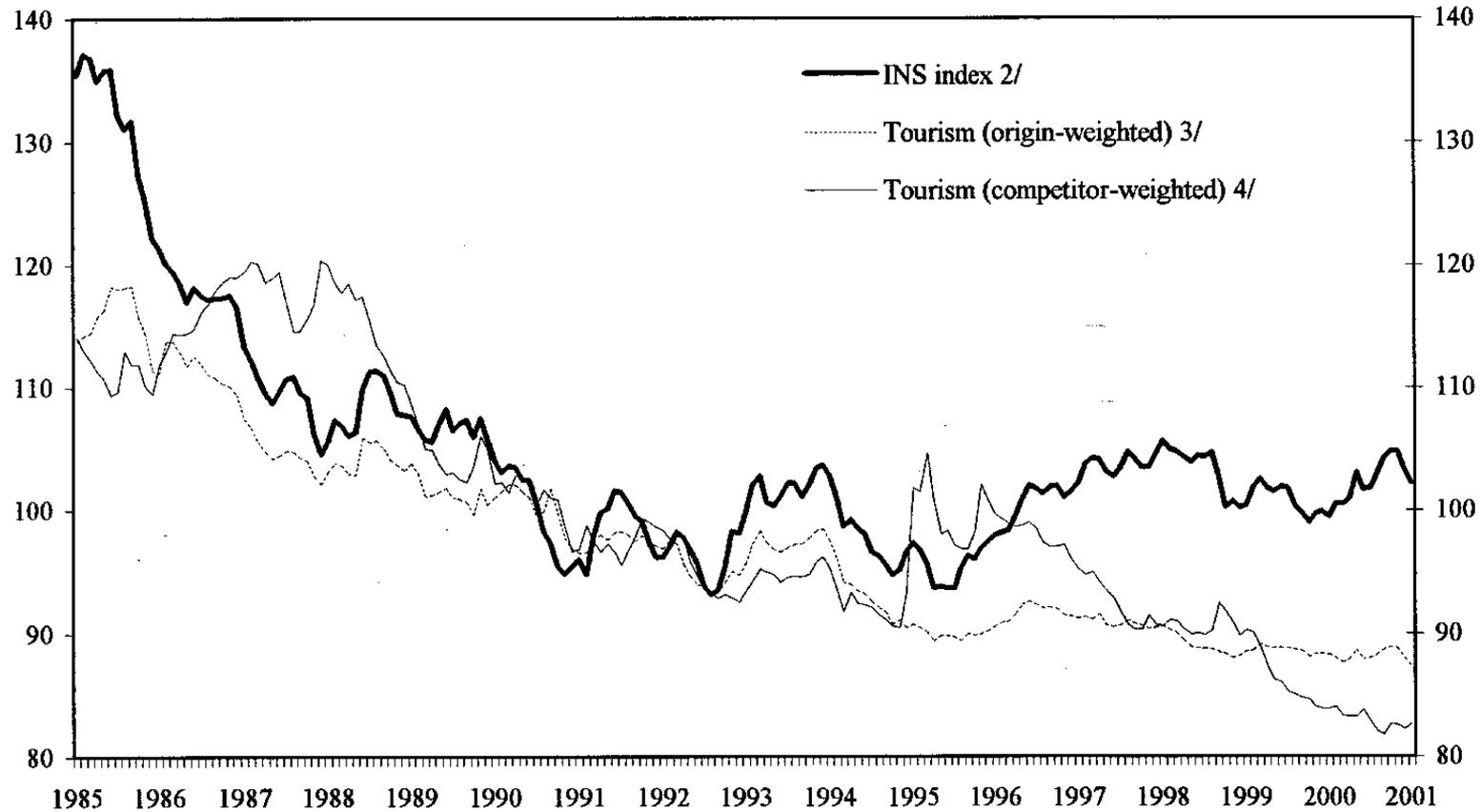
1/ The index value ranges between one and ten, with one representing the least restricted trade regime.

For more details see EBS/97/163, pp. 59-61.

2/ Data for 2000.

48. The inefficiencies and distortions in the foreign exchange market are a serious impediment to trade and investment. A liquidity overhang has developed in the economy as a result the fiscal and monetary policy stance in recent years leading to unsatisfied foreign exchange demand and a widening of the spread in the parallel foreign exchange market. Reflecting this, the foreign exchange market has become fragmented with small firms and hotels purchasing foreign exchange from tourists, while larger importers purchase foreign exchange through bilateral arrangements with specific exporters or foreign suppliers. The increasing distortions in the foreign exchange market are likely to affect investment and growth prospects, as domestic producers' access to critical foreign inputs and financing is delayed, transactions cost increased, and the intermediation in formal markets reduced.

Figure III.1. Belize: Real Effective Exchange Rate 1/  
(1990=100)



Sources: Caribbean Tourism Organization; and Fund staff estimates.

1/ Decrease indicates depreciation.

2/ Weights based on merchandise trade and tourism.

3/ Weights based on country of origin for air arrivals to Belize.

4/ Weights based on stayover arrivals to Caribbean by destination.

49. Belize's tax regime also affects competitiveness through its strong reliance on fuel and telephone services taxes. Import duties and other taxes on fuel account for about 48 percent of the retail price of gasoline, and as a result retail gasoline prices are about 12 percent higher in Belize than in other countries in the region (Table III.4).

Table III.4. Retail Gasoline Prices (U.S. dollars per gallon)

Country	Regular	Premium
Antigua and Barbuda 1/	2.54	2.52
<b>Belize 2/</b>	<b>2.80</b>	<b>2.90</b>
Costa Rica 3/	2.34	2.46
Dominica 1/	2.56	...
El Salvador 4/	1.92	2.44
Grenada 1/	2.94	...
Guatemala 4/	1.41	1.44
Honduras 5/	2.49	2.58
Mexico 5/	2.14	2.40
Nicaragua 6/	2.51	2.62
Panama 4/	2.52	2.57
St. Kitts and Nevis 1/	2.44	...
St. Lucia 1/	2.14	...
St. Vincent and The Grenadines 1/	2.44	...

Sources: Latin American Energy Organization (OLADE); and Eastern Caribbean Central Bank.

- 1/ Prices as of August, 2000.
- 2/ Prices as of April 2001.
- 3/ Prices as of February 2001.
- 4/ Prices as of September 2000.
- 5/ Prices as of March 2001.
- 6/ Prices as of October 2000.

50. Telephone rates in Belize are significantly higher than in other countries (Table III.5). This is partly due to the business tax collected from Belize Telecommunications Limited (BTL), which accounted for 25 percent of total income taxes collected in FY2000/01.<sup>14</sup> The

<sup>14</sup> The business tax is a turnover tax levied at 1.25 percent for most activities and at 19 percent for BTL.

business tax is collected on gross sales that are directly related to the prices of telephone service. Through the SSB, which holds about 25 percent of BTL shares, the government still plays a direct role in setting telephone tariffs. Moreover, demand is highly inelastic to BTL's pricing because there is no competition in the sector. Under its current license, BTL has a telecommunications monopoly through 2002. The authorities intend to allow competition in the sector after 2002 to facilitate the expansion in related infrastructure and to create a competitive environment that could lead to tariff reductions. In this context, authorities will need to find alternative sources of tax revenue consistent with safeguarding Belize's competitiveness.

51. Electricity rates in Belize are comparatively high, partly because domestic generation relies on small and costly fuel-based generators (Table III.6). Following the completion of a major expansion program and its privatization in 1999, Belize Electricity Limited (BEL) has scheduled tariff reductions based on its estimated long-run marginal costs. However, when international fuel prices increased, BEL's operational costs rose and the company agreed with the government not to pass on to consumers the increase in international fuel prices, and tariff rates have remained constant since April 2000. Although this has been beneficial to exporters in recent past, the resulting revenue loss to BEL has been accumulating on an accrual basis and the company will be compensated through rate increases when international fuel prices decline, which in turn will have a negative impact on competitiveness. Electricity shortages in 2000–01 due to problems with the Mexican supplier have renewed interest in a pending hydroelectric project in Belize. However, the government has not granted approval due to environmental concerns.

#### **D. Conclusion**

52. In the past five years, Belize's merchandise exports and tourism activities expanded rapidly, supported mainly by private sector investment and improvements in infrastructure. However, uncertainty about future preferential access to export markets and capacity constraints may diminish the prospects for continued rapid export growth. To underpin the export expansion, policy changes are needed to improve competitiveness, foster export diversification, and attract foreign direct investment. Such policy changes would include measures to reduce the fiscal and external imbalances so as to keep the real exchange rate at a competitive level, while maintaining the current exchange rate peg.

Table III.5 Telephone Charges in Selected Countries: 1999/2000

(In U.S. dollars)

Country	Basic Monthly Charge		One Minute Long Distance (to)					
			United States		Western Europe		South America	
	Residential	Commercial	Lowest	Highest	Lowest	Highest	Lowest	Highest
Antigua and Barbuda	30.00	60.00	2.00	3.25	2.67	5.10	2.65	4.00
Bahamas	10.25	21.25	0.70	0.99	2.75	2.75	2.75	2.75
Barbados	16.10	47.00	0.75	1.18	0.99	1.88	0.99	1.88
<b>Belize</b>	<b>4.00</b>	<b>10.00</b>	<b>1.00</b>	<b>1.38</b>	<b>2.00</b>	<b>2.25</b>	<b>1.00</b>	<b>1.38</b>
Bermuda	26.00	32.00	0.63	0.95	1.19	1.28	1.40	1.51
Dominica	7.36	20.24	0.74	1.20	0.98	1.88	0.98	1.84
Dominican Republic	6.13-18.16	13.64-15.32	0.36	0.58	0.98	1.46	0.83	1.10
Grenada	14.00	40.74	0.74	1.20	0.98	1.88	0.98	1.85
Guyana	1.39	5.55	0.56	0.93	1.10	1.84	1.01	1.69
Jamaica	4.98	11.86	0.62	0.71	0.83	1.86	0.72	2.38
St. Lucia	8.98	10.09	0.74	3.25	0.99	1.89	0.99	1.67
Trinidad and Tobago	4.64	27.78	0.63	0.71	0.63	1.58	0.27	1.58

Source: Caribbean Association of National Telecommunications Organizations 1999/2000 Annual Report.

Table III.6 Electricity Prices (U.S. cents per kw/h) 1/

Country	Residential	Commercial	Industrial
<b>Belize</b>	<b>16.50</b>	<b>18.00</b>	<b>20.00</b>
Costa Rica 2/	5.57	8.60	6.53
El Salvador	8.23	10.75	11.15
Guatemala	7.92	6.30	7.49
Honduras	6.10	9.73	8.51
Mexico 3/	6.62	13.57	5.90
Nicaragua	13.59	16.01	12.39
Panama	12.08	11.76	9.90

Sources: Latin American Energy Organization (OLADE), and Belize Electricity Limited.

1/ Prices as of September 2000 unless specified otherwise.

2/ Prices as of October 2000.

3/ Prices as of March 2001.

#### **IV. THE SOCIAL SECURITY SYSTEM<sup>15</sup>**

##### **A. Background**

53. The Government of Belize reformed the Social Security System (SSS) in January 2001. All pension payments were increased at least 20 percent and sickness, injury, and maternity benefits were also raised. Contributions rose through an increase in the maximum taxable income. This chapter describes the SSS in Belize and assesses the actuarial position of the system after the reform.

##### **B. Description of the Social Security System**

54. The SSS started operations in Belize on June 1981, covering all employed persons between 14 years and 65 years of age. Exempted from the system are domestic employees working less than 24 hours a week, employees working less than 8 hours a week, and elected members of the government and other elected officials. Public servants have a special regime, though they can opt to also enroll in the SSS at the same time.

55. The benefits offered by the system are divided among three branches:

- a) The Long Term Branch, which offers retirement, invalidity and survivors benefits.
- b) The Short Term Branch, which offers sickness and maternity benefits.
- c) The Employment Injury Branch, which offers employment-related injury, disablement and death benefits.

56. Employees must contribute for a minimum of 10 years to receive a pension, while individuals with less than that can only receive lump-sum payment depending on the amount of contributions and the length of affiliation. The benefits are calculated based on the average of the three years of highest income at the time of retirement,<sup>16</sup> subject to a maximum amount equivalent to 60 percent of insurable earnings at the time of retirement. There is no automatic indexation of pensions to changes in the cost of living.

57. The financial organization of the different branches within the SSS can be briefly described as follows:

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<sup>15</sup> Prepared by Esteban Vesperoni.

<sup>16</sup> Benefits within the special regime for public servants are established at 70 percent of the salary at the time of retirement.

a) The contribution rate for the Long-Term Branch is set on the basis of a “scaled-premium pay-as-you-go” system depending on the income range (Table IV.1). Contributions are determined so that the expected income from contributions and investment exceeds the cost of benefits and administration for a number of years, i.e., the “period of equilibrium” (PE). During this period, the annual excess of income over expenditure is accumulated in a technical reserve.

Table IV.1. Belize: Schedule of Contributions to the Social Security Scheme  
(In Belize dollars)

Weekly Earnings	Insurable Earnings	Employees Contribution	Employers Contribution	Total Contributions
From June 1, 1981 to December 31, 2000				
Under 40.00	25	0.12	1.63	1.75
40.00–69.99	55	0.55	3.30	3.85
70.00–109.99	90	0.90	5.40	6.30
110.00 and over	130	1.30	7.80	9.10
From January 1, 2001				
Under 70.00	55	0.55	3.30	3.85
70.00–109.99	90	0.90	5.40	6.30
110.00–139.99	130	1.30	7.80	9.10
140.00–179.99	160	2.35	8.85	11.20
180.00–219.99	200	3.75	10.25	14.00
220.00–259.99	240	5.15	11.65	16.80
260.00–299.99	280	6.55	13.05	19.60
300.00 and over	320	7.95	14.45	22.40

Source: Social Security Board, Belize.

b) The contribution rate for the Short-Term Branch is defined on the basis of a “pay-as-you-go” system. The contribution rates are set at such a level that they cover expenditure on benefits and administration and provide a margin for a contingency reserve. The minimum level of the reserve is set at six months of average benefit expenditure over the preceding three financial years.

c) The contribution rate for the Employment Injury Branch is also defined on the basis of a “pay-as-you-go” system. The minimum level of contingency reserves is set at 12 months of average benefit expenditure over the preceding three financial years.

### **C. The Schedule of Contributions to the Social Security System**

58. The original schedule of contributions was introduced in 1981 (see Table IV.1). Total contributions paid by employers and employees were set at 7 percent of Notional Weekly Earnings (NWE) up to an earnings ceiling of BZ\$130 per week. Within the lowest wage class, employees paid 0.5 percent of earnings, while the employers paid the rest. For the other three wage classes, employees’ contributions were 1 percent of earnings. Of the total contributions, the long-term branch was assigned 3.5 percent of earnings, the short-term branch 1.5 percent, and the employment injury branch 2 percent.

59. The 2001 reform brought about three fundamental changes. First, it increased the wage level of the upper limit in the lowest wage class and added new wage classes above the fourth class in the original system. Second, the distribution of contributions between employees and employers was modified. For the lowest three wage classes, employees would contribute 1 percent of NWE and employers the difference. For the other five wage classes, employees would contribute 1 percent of BZ\$130 and 3.5 percent of the difference between the NWE in the wage class and BZ\$130. Third, pension benefits were increased by 20 percent across the board.

### **D. Actuarial Position of the Social Security Scheme**

60. Based on the demographic projections in the third actuarial report (completed in 1996) and the budget of the SSB for 2001 (which incorporates the effects on contributions and benefits of the recent reform), Fund staff estimated the actuarial position of the SSS, comprising all three branches (Table IV.2). The main findings are:

- a. Total contributions to the SSS minus benefits paid would remain positive until 2005. From 2006 onwards, contributions would cease to cover benefits and administrative costs and returns from investment would have to be allocated to pay benefits and cover administrative costs.
- b. The “period of equilibrium” has been extended to 17 years from 11 years in the 1997 actuarial report. From 2018 onwards, investment income plus contributions would cease to cover benefits and administrative costs, and investment assets would have to be sold.
- c. Given present contributions and benefits, the SSS would have sold all its assets by 2033. From 2034 onwards, it would need government transfers to pay benefits.

Table IV.2. Belize: Actuarial Position of the Social Security Board

	2001	2006 1/	2018 2/	2034 3/
Insured population	58,920	65,530	73,840	86,583
Number of pensioners	4,476	6,917	16,285	35,534
(In millions of Belize dollars)				
Contributions	27.3	31.9	40.5	55.7
Benefits	15.5	24.0	56.4	123.1
Administrative costs	7.9	8.3	9.3	10.9
<b>Operational balance</b>	<b>3.9</b>	<b>-0.4</b>	<b>-25.3</b>	<b>-78.4</b>
Investment and other income	19.3	18.7	23.4	-3.0
<b>Overall balance</b>	<b>23.2</b>	<b>18.3</b>	<b>-1.9</b>	<b>-81.4</b>
<b>Memorandum items:</b>				
Investment portfolio	231.0	339.4	468.0	-59.3
Administrative costs as percentage of total contributions	28.9	26.0	23.1	19.7

Sources: Social Security Board, Fourth Actuarial Review, and Fund staff estimates.

1/ In 2006, contributions cease to cover benefits and administrative costs.

2/ In 2018, investment income and contributions cease to cover benefits and administrative costs.

3/ In 2034, the SSS would need government transfers to cover benefits and administrative costs.

### E. Administrative Costs

61. The administrative costs of the SSS are high and, unlike other countries with maturing social security systems, have increased over time in relation to contributions. In general, administrative costs in relation to contributions tend to be high in countries with a young population and a young social security system, as the number of contributing affiliates is small while fixed costs associated with contribution collection and record keeping are relatively high. As systems mature and the number of contributors increase, economies of scale can be realized in the administration of pension systems. The first actuarial report in 1985 stated that administrative costs represented about 14 percent of total contributions. However, as the pension system matured in Belize, administrative costs will represent 29 percent of total contributions in 2001, notwithstanding the increase in contributions due to the recent reform.

### F. Investment Portfolio

62. Investments of the SSS's reserves are made through a fund that pools the resources from the three branches. The returns from the fund are distributed according to the proportion

of reserves of each branch at the close of the previous year. This “pooled fund” investment strategy may not be adequate, as the different branches of the system have a different maturity profile of liabilities. This is especially relevant given that a large proportion of the Belizean population is young. The long-term branch and, to some extent, the employment-injury branch accumulate long-term liabilities, while the short-term branch has to afford immediate benefits. Therefore, it might not be optimal to have the same portfolio of assets for the different branches.

63. The investment portfolio has become concentrated in housing-related assets in the last 3 years (Table IV.3). In 1997, around 70 percent of the total portfolio was invested in private companies (28 percent), loans to the government (22 percent), and mortgages and real state (22 percent). By the year 2000, mortgages and real estate accounted for almost 54 percent of the investment portfolio. Regulations also affect the composition of the investment portfolio as the SSB is prohibited from investing in foreign assets. Such regulations complicate risk management and restrict portfolio diversification. While restrictions could be necessary to prevent mismanagement, they should not restrict legitimate risk management and efforts to maximize returns.

Table IV.3. Belize: Investment Portfolio of the Social Security Scheme

(In millions of Belize dollars)

	1997	1998	1999	2000
<b>Total investments</b>	<b>159.9</b>	<b>168.2</b>	<b>196.0</b>	<b>232.7</b>
Short-Term certificates of deposits	19.0	28.2	10.7	14.3
Shares	9.2	9.2	24.2	21.4
Private sector loans	3.1	4.5	15.5	27.0
Government loans	36.0	33.1	38.3	8.0
Mortgages 1/	34.7	38.4	60.0	116.3
Real estate	1.6	1.9	6.3	8.1
Associated company	35.6	34.1	35.1	27.6
Other investments	20.6	18.8	5.9	10.0
<b>Memorandum item:</b>				
Mortgages and real estate (as percent of total investment)	22.7	23.9	33.9	53.4

Sources: Social Security Board and Fund staff estimates.

1/ Includes housing loans to the DFC for BZ\$25 million.

## **G. Conclusion**

64. The main findings are the following. First, projections of contributions and benefits suggest that the actuarial position of the system improved after the reform. Second, administration costs as percent of contributions have doubled in the last 15 years. As such costs tend to fall as social security systems mature, there may be scope for reducing the administrative costs. Third, the investment policies and strategies of the SSS may need to be revised, in particular the restrictions on the Social Security Board (SSB)<sup>17</sup> to incorporate foreign assets into its portfolio and the lack of flexibility for each branch of the SSS to choose its investment assets independently. Finally, the investment portfolio has shown an increasing share of real estate and mortgages assets in the last few years, from 23 percent of the total portfolio in 1997 to almost 54 percent in 2000. Risk management considerations would suggest that greater portfolio diversification might be desirable.

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<sup>17</sup> The Social Security Board manages the social security system.

## V. THE SUSTAINABILITY OF THE EXTERNAL DEBT IN BELIZE <sup>18</sup>

### A. Introduction

65. The external debt of Belize has increased substantially in the past few years, particularly since 1998. At the same time, new external financing operations have been introduced, including the use of central bank borrowing for on-lending to the government-owned DFC and international securitization operations carried out by the DFC and the SSB.

66. The relation between external debt, and economic growth is discussed in Section B, while recent trends in the external debt of Belize are described in section C. Section D presents a series of external vulnerability indicators to argue that the recent growth in the external debt of Belize is unsustainable, and that debt and debt service indicators will remain at high levels even as policies are put in place to ensure macroeconomic stability.

### B. External Debt and Economic Growth

67. A country may use foreign borrowing as a mechanism to increase domestic investment and achieve higher rates of growth, or to smooth out consumption in response to economic shocks.<sup>19</sup> However, if borrowed resources are not efficiently allocated, the service of the debt can lead to a deterioration of fiscal and external positions and aggravate macroeconomic problems, and ultimately result in a curtailment of foreign financing and growth.

68. An effective debt management strategy should include a number of key elements. It must be based on a clear legal framework that establishes transparency and accountability in the responsibilities and objectives of the financial agencies in charge of debt management. The institutional framework should ensure that the formulation of debt management policies and strategies are integrated into the overall macroeconomic policy strategy. Moreover, it should ensure that the risks encountered in sovereign debt management, particularly market, rollover, and liquidity risks, are adequately weighted and controlled.<sup>20</sup>

69. The level of sustainable debt for a country will depend on its growth prospects and the expected level and form of financial flows, including foreign exchange earnings, tax revenue, and project or aid disbursements. Overly optimistic projections about economic

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<sup>18</sup> Prepared by Luis E. Breuer.

<sup>19</sup> For a discussion see Chenery and Strout (1996).

<sup>20</sup> For greater details of a comprehensive debt strategy, refer to International Monetary Fund (2000).

growth and balance of payment flows have contributed to excessive borrowing in some developing nations.<sup>21</sup>

### C. The Evolution of External Debt in Belize

70. The external public debt has been increasing steadily since the mid 1990s, and has grown rapidly in the last two years. Total external debt, which comprises direct public and publicly guaranteed debt, increased from US\$179 million in 1995 (30 percent of GDP) to US\$553 million (67 percent of GDP) in 2000. Concurrently, there has been a shift from multilateral and official bilateral debt toward commercial debt and publicly guaranteed debt. Whereas multilateral and official bilateral debt accounted for over three-quarters of the total debt in 1995, commercial creditors and publicly guaranteed debt accounted for over 60 percent of total debt in 2000. The rapid increase in the publicly guaranteed debt in recent years reflects the securitization operations undertaken in 1999 and 2000 (see below) and the government guarantee on the external debt of privatized state enterprises (Table V.1).

71. The government has been pursuing its growth and poverty reduction strategy through reliance on external bond placements and commercial loans (Table V.2).<sup>22</sup> The central administration made two bond placements during 2000 for a total of US\$86 million (about 11 percent of GDP), in part to finance hurricane reconstruction activities and to pre-finance central government expenditure. Commercial bank borrowing was mainly used to finance specific projects, including for the construction of a new city (La Democracia), the construction of new schools, and purchases of road maintenance equipment, while multilateral borrowing was used to finance hurricane reconstruction, public disaster management, and basic social and physical infrastructure.

72. The Central Bank of Belize (CBB) also borrowed US\$42 million in 2000 from foreign commercial banks to onlend to the DFC. Some of these loans required the maintenance of CBB collateral deposits, which amounted to US\$33 million at end-2000.<sup>23</sup> The DFC increased its lending activity to the private sector during 2000, in part to finance

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<sup>21</sup> For a theoretical discussion of how optimistic views can lead to overborrowing, see Senhadji (1997).

<sup>22</sup> The Ministry of Economic Development manages external debt policy in Belize. The Central Bank of Belize acts as the fiscal agent for government and, as such, maintains debt statistics, holds central government deposits (in domestic and foreign currency) and makes international payments. External indebtedness of the nonfinancial public sector and the DFC requires parliamentary approval, while the CBB can borrow with the approval of its Board of Directors.

<sup>23</sup> In March 2001, the CBB obtained an additional commercial bank loan of US\$25 million, which requires a deposit collateral for the same amount.

reconstruction works after Hurricane Keith and for housing,<sup>24</sup> and industrial and agricultural activities. While it had traditionally obtained funds from multilateral institutions for private sector lending activities, the DFC recently shifted its funding to credit from the CBB and securitization operations (see below). The external borrowing by the CBB contributed to increasing its gross reserves and facilitated compliance with the legally required 40 percent ratio of foreign assets to domestic liabilities (the latter defined as base money and public sector deposits).

73. In 1999 and 2000, the DFC and the SSB sold securities to a foreign bank for a total of US\$102 million (about 13 percent of 2000 GDP), and pledged the income stream from a specific domestic portfolio of mortgages and other loans for its repayment. These operations are a hybrid form of a mortgage-backed securitization as they involve the pledge of an income stream from mortgages. Unlike the former, however, the mortgages themselves are not sold but rather used as collateral and other types of non-mortgage DFC assets were included. The government granted a subsidiary guarantee and the CBB guaranteed the convertibility of the repayments to U.S. dollars. As a result, the public sector assumed the credit, liquidity, and exchange rate risks inherent in the securitization operations. The securitization operations were carried out in four tranches with different financial characteristics. The first three tranches, carried out between April 1999 and March 2000, amounted to about US\$90 million and carried 9–15 year bullet maturity repayments and implicit interest rates between 11.6 percent and 12.9 percent. Principal repayment has been facilitated through the establishment of upfront sinking funds for a total of about US\$29 million. These sinking funds are set up in such a form that the original amount will increase in value through the capitalization of interest, and will cover the entire bullet payment at maturity (similar to a zero-coupon bond). The fourth tranche, for about US\$12 million, was sold in August 2000, and carries an implicit interest rate of 13.1 percent, but is repaid in forty quarterly payments (like a traditional mortgage) starting in November 2000. The securitization operations generated net inflows of about US\$30 million in 1999 and in 2000, after the contributions to the sinking funds (Table V.3). Annual outflows of about US\$13 million are projected during 2001–08.

#### **D. Vulnerability Indicators**

74. The economy of Belize is vulnerable to external shocks arising from terms of trade fluctuations for its exports of primary products and natural disasters, including hurricanes.<sup>25</sup> This calls for maintaining some flexibility to adjust fiscal policy and some margin in external

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<sup>24</sup> For a description of the housing program, refer to Box 1 in the accompanying Staff Report.

<sup>25</sup> Belize was spared the considerable damage caused by hurricane Mitch to neighboring countries in 1998, but was hit by hurricane Keith in 2000. The cost of Keith to the economy of Belize has been estimated at about US\$500 million by the United Nation's Economic Commission for Latin America.

indebtedness capacity to safeguard against exogenous shocks. However, the recent trend in the external debt has reduced Belize's capacity to contract additional debt, while the service payments, which will increase rapidly in the next few years, are beginning to strain the balance of payments and the public finances. The government is therefore planning to reverse this trend through fiscal adjustment and by reverting to external borrowing on noncommercial terms.<sup>26</sup>

75. In the period 1995–2000, the external public and publicly guaranteed debt has increased from 30 percent to over 67 percent of GDP, and from 61 percent to about 144 percent of exports of goods and services.<sup>27</sup> During the same period, the debt service ratios to exports and to government revenue averaged about 10 percent and 23 percent, respectively, but will increase to about 14 percent and 31 percent by 2005, respectively, assuming the implementation of the medium-term scenario proposed in the staff report.

76. Annual debt service payments, which averaged US\$30 million in the period 1995–98, increased to US\$40 million by 2000, and will rise to an average of US\$70 million in 2003–08. When the debt-service obligations of the securitization operations are included, external debt-service payments rise to an average of about US\$82 million in 2003–08 (Table V.4). This situation was compounded since 1997 as exports grew slower than imports, leading to a widening of the external current account deficit (Table V.5).

### **E. Conclusion**

77. The external debt of Belize has increased significantly since the mid-1990s, having accelerated during the past two years. New types of financial operations have been introduced, including securitization operations and commercial on lending by the central bank. The rapid increase in external indebtedness and the resulting future debt service requirements have increased the medium-term vulnerability of the economy and threaten to reduce the government's policy options. In light of this, the strong economic growth in recent years and the government's plans to reduce the fiscal deficit will strengthen the authorities ability to limit the effects of increased vulnerability.

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<sup>26</sup> In the policies recommended in the Staff Report that accompanies this document, the public sector deficit is reduced to 1 percent of GDP by FY 2002/03, with annual net external financing of 2 percent of GDP. New loans are limited to project loans from multilateral institutions.

<sup>27</sup> Exports refer to goods and services.

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Table V.1. Belize: Outstanding Public and Publicly Guaranteed Debt (End-of-Period 1995-2008)

	1995	1996	1997	1998	1999	2000	Proj. 1/							
							2001	2002	2003	2004	2005	2006	2007	2008
	(In millions of U.S. dollars)													
<b>By creditor</b>	<b>179.1</b>	<b>219.9</b>	<b>241.2</b>	<b>258.4</b>	<b>359.4</b>	<b>552.7</b>	<b>570.3</b>	<b>590.7</b>	<b>582.5</b>	<b>563.1</b>	<b>512.7</b>	<b>463.1</b>	<b>405.7</b>	<b>378.7</b>
Public debt	179.1	219.9	241.2	258.4	282.9	421.3	427.3	449.3	443.4	426.8	381.6	351.4	297.3	273.3
Multilateral	74.3	70.9	86.1	99.3	110.4	95.1	112.3	132.5	147.4	156.4	152.1	143.3	134.0	124.4
Bilateral	65.0	105.7	104.1	103.7	115.3	113.6	110.5	116.3	110.4	99.6	97.5	85.4	73.3	62.3
Commercial	39.8	43.3	51.0	55.4	57.2	212.6	204.5	200.5	185.6	170.8	131.9	122.7	90.0	86.5
Publicly guaranteed debt	0.0	0.0	0.0	0.0	76.5	131.4	142.9	141.5	139.1	136.3	131.1	111.6	108.4	105.4
<b>By debtor</b>	<b>179.2</b>	<b>219.9</b>	<b>241.2</b>	<b>258.4</b>	<b>359.4</b>	<b>552.7</b>	<b>570.3</b>	<b>590.7</b>	<b>582.5</b>	<b>563.1</b>	<b>512.7</b>	<b>463.1</b>	<b>405.7</b>	<b>378.7</b>
Public debt	179.2	219.9	241.2	258.4	282.9	421.3	427.3	449.3	443.4	426.8	381.6	351.4	297.3	273.3
Central administration	144.6	171.2	172.3	178.5	201.3	318.0	318.8	344.5	347.1	337.1	298.2	273.4	249.0	229.5
Rest of nonfinancial public sector	17.1	17.7	36.1	43.8	42.5	17.6	18.5	21.4	22.3	22.2	19.6	17.0	15.1	13.8
Financial public sector	17.5	31.0	32.8	36.1	39.1	85.8	104.8	100.6	92.9	87.2	81.8	77.4	48.0	43.7
Minus WASA debt 2/	0.0	0.0	0.0	0.0	0.0	0.0	14.8	17.2	18.9	19.6	18.0	16.4	14.8	13.7
Publicly guaranteed debt	0.0	0.0	0.0	0.0	76.5	131.4	142.9	141.5	139.1	136.3	131.1	111.6	108.4	105.4
	(In percent of total)													
<b>By creditor</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Public debt	100.0	100.0	100.0	100.0	78.7	76.2	74.9	76.1	76.1	75.8	74.4	75.9	73.3	72.2
Multilateral	41.5	32.2	35.7	38.4	30.7	17.2	19.7	22.4	25.3	27.8	29.7	31.0	33.0	32.9
Bilateral	36.3	48.1	43.2	40.1	32.1	20.6	19.4	19.7	18.9	17.7	19.0	18.4	18.1	16.5
Commercial	22.2	19.7	21.1	21.5	15.9	38.5	35.9	33.9	31.9	30.3	25.7	26.5	22.2	22.8
Publicly guaranteed	0.0	0.0	0.0	0.0	21.3	23.8	25.1	23.9	23.9	24.2	25.6	24.1	26.7	27.8
<b>By debtor</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Public debt	100.0	100.0	100.0	100.0	78.7	76.2	74.9	76.1	76.1	75.8	74.4	75.9	73.3	72.2
Central administration	80.7	77.9	71.4	69.1	56.0	57.5	55.9	58.3	59.6	59.9	58.2	59.0	61.4	60.6
Rest of nonfinancial public sector	9.5	8.0	15.0	16.9	11.8	3.2	3.2	3.6	3.8	3.9	3.8	3.7	3.7	3.7
Financial public sector	9.8	14.1	13.6	14.0	10.9	15.5	18.4	17.0	15.9	15.5	15.9	16.7	11.8	11.5
Minus WASA debt 2/	0.0	0.0	0.0	0.0	0.0	0.0	2.6	2.9	3.2	3.5	3.5	3.5	3.7	3.6
Publicly guaranteed	0.0	0.0	0.0	0.0	21.3	23.8	25.1	23.9	23.9	24.2	25.6	24.1	26.7	27.8

Sources: Central Bank of Belize, BIMPO, and Fund staff estimates.

1/ Projections include disbursement schedules for debt already contracted as of December 2000. No further disbursements are assumed here.

2/ The external public debt of WASA at the time of its privatization in March 2001 was transferred to the new company with the maintenance of a public guarantee. Thus, this debt is subtracted from the public debt and included in the publicly guaranteed.

Table V.2. Belize: Public External Loans Contracted (January 1999-March 2001)

	Amount Contracted (In US\$ Millions)	In Percent
<b>Total</b>	<b>372.5</b>	<b>100.0</b>
Bonds	86.0	23.1
Commercial bank	112.6	30.2
Supplier credit	15.2	4.1
Multilateral	108.7	29.2
Bilateral	50.0	13.4
<b>Central administration</b>	<b>303.7</b>	<b>81.5</b>
Bonds	86.0	23.1
Commercial bank	46.4	12.4
Supplier credit	15.2	4.1
Multilateral	106.2	28.5
Bilateral	50.0	13.4
<b>Rest of nonfinancial public sector</b>	<b>4.3</b>	<b>1.1</b>
Bonds	0.0	0.0
Commercial bank	4.3	1.1
Supplier credit	0.0	0.0
Multilateral	0.0	0.0
Bilateral	0.0	0.0
<b>Financial public sector</b>	<b>64.5</b>	<b>17.3</b>
Bonds	0.0	0.0
Commercial bank	62.0	16.6
Supplier credit	0.0	0.0
Multilateral	2.5	0.7
Bilateral	0.0	0.0

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

Table V.3. Belize: Financial Flows from Securitization  
(In millions of U.S. dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Outstanding stock	45.4	102.3	101.3	100.5	99.6	98.6	97.5	96.2	94.8	93.1
Disbursements	45.4	56.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to SF 1/	-11.3	-17.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments	-2.2	-9.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7
Amortization	0.0	-0.2	-0.7	-0.8	-0.9	-1.0	-1.1	-1.3	-1.5	-1.6
Interest	-2.2	-9.5	-12.0	-11.9	-11.8	-11.7	-11.5	-11.4	-11.2	-11.0
Net flows 2/	31.9	29.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7	-12.7
<b>Memorandum item:</b>										
SF investment income 3/	0.5	2.6	3.4	3.7	4.2	4.7	5.2	5.8	6.4	7.0

Sources: Belize Investment Management Company Ltd.; and Fund staff estimates.

1/ Sinking funds (SF) held abroad to facilitate the repayment of the bullet maturity due at the end of the period.

2/ Disbursements minus contribution to SF and debt service.

3/ Estimated and projected capitalization of investment income of the sinking funds.

Table V.4. Belize: External Payment Flows  
(In millions of U.S. dollars)

	1995	1996	1997	1998	1999	2000	Proj.							
							2001	2002	2003	2004	2005	2006	2007	2008
<b>Total external payments<sup>1/</sup></b>	<b>29.4</b>	<b>29.7</b>	<b>30.9</b>	<b>33.1</b>	<b>38.4</b>	<b>49.9</b>	<b>71.6</b>	<b>77.2</b>	<b>80.2</b>	<b>81.0</b>	<b>104.5</b>	<b>73.5</b>	<b>93.2</b>	<b>60.9</b>
Amortization	21.7	21.6	20.6	19.9	21.7	22.0	29.4	34.0	36.5	38.1	64.1	36.1	59.5	29.4
Interest	7.7	8.1	10.3	13.2	16.7	27.9	42.2	43.2	43.7	42.9	40.4	37.5	33.7	31.5
<b>Public debt service <sup>2/</sup></b>	<b>29.4</b>	<b>29.7</b>	<b>30.9</b>	<b>33.1</b>	<b>36.2</b>	<b>40.2</b>	<b>58.9</b>	<b>64.6</b>	<b>67.5</b>	<b>68.3</b>	<b>91.8</b>	<b>60.9</b>	<b>80.5</b>	<b>48.2</b>
Amortization	21.7	21.6	20.6	19.9	21.7	21.8	28.7	33.2	35.6	37.1	63.0	34.8	58.0	27.8
Interest	7.7	8.1	10.3	13.2	14.5	18.4	30.3	31.4	31.9	31.3	28.9	26.1	22.5	20.4
<b>Securitization payments <sup>3/</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.2</b>	<b>9.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>
Amortization	0.0	0.0	0.0	0.0	0.0	0.2	0.7	0.8	0.9	1.0	1.1	1.3	1.5	1.6
Interest	0.0	0.0	0.0	0.0	2.2	9.5	12.0	11.9	11.8	11.7	11.5	11.4	11.2	11.0

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

1/ Includes public debt service and securitization payments.

2/ Projections based on stock of debt on March 2001; does not include publicly guaranteed debt.

3/ International securitization operations undertaken by DFC and SSB in 1999 and 2000.

Table V.5. Belize: Indicators of External Vulnerability  
(In percent of GDP, unless otherwise indicated)

	1995	1996	1997	1998	1999	2000
<b>Debt indicators</b>						
Total external public debt in percent of GDP	30.3	34.9	37.2	38.6	48.3	67.4
Public debt	30.3	34.9	37.2	38.6	34.0	51.3
Publicly guaranteed debt	0.0	0.0	0.0	0.0	10.3	16.0
Total external public debt in percent of exports 1/	60.7	71.2	70.7	76.4	95.9	143.7
Public debt	60.7	71.2	70.7	76.4	75.5	109.5
Publicly guaranteed debt	0	0	0	0	20.4	34.2
Public debt service in percent of GDP 2/	5.0	4.7	4.7	5.0	4.5	4.9
Amortization	3.7	3.4	3.1	3.0	2.6	2.7
Interest	1.3	1.3	1.6	2.0	1.9	2.2
Public debt service in percent of exports 2/	10.0	9.6	9.1	9.8	9.6	10.5
Amortization	7.4	7.0	6.0	5.9	5.8	5.7
Interest	2.6	2.6	3.0	3.9	3.9	4.8
Public debt service in percent of current government revenues 2/	22.6	21.4	21.6	22.0	23.4	24.6
Amortization	16.7	15.6	14.4	13.3	14.0	13.4
Interest	5.9	5.8	7.2	8.8	9.4	11.9
<b>Other external indicators</b>						
Exports (percent change, 12-month basis in U.S. dollars)	5.1	4.3	16.7	-2.8	9.6	-0.4
Imports (percent change, 12-month basis in U.S. dollars)	1.1	-2.7	21.4	4.6	15.8	19.5
Terms of trade (percent change, 12-month basis)	3.3	2.2	-5.9	8.5	-12.5	-10.7
Real effective exchange rate appreciation (+) (end of period)	-6	4.1	3.1	-4.2	-0.3	3.8
Exchange rate (per U.S. dollar, period average)	2.0	2.0	2.0	2.0	2.0	2.0
Current account balance	-1.7	-1.1	-3.5	-6.2	-9.0	-16.1
Capital and financial account balance	2.2	4.4	3.4	4.2	12.8	22.2
<i>Of which</i>						
Public sector	-0.5	5.2	4.6	2.4	9.1	25.7
Private sector	2.7	-0.8	-1.1	1.8	3.7	-3.5
Gross official reserves (in U.S. million of dollars)	30.6	51.0	52.4	37.1	64.2	114.7
In months of imports	1.0	1.5	1.5	1.0	1.5	2.5
In percent of amortizations due in the following year	141.4	247.4	263.3	171.3	294.3	400.2
In percent of base money	52.9	86.1	83.8	54.8	89.7	116.2
In percent of base money and public sector securities	34.1	64.5	56.0	39.0	58.0	80.9
<b>Memorandum items:</b>						
Freely available gross official reserves (US\$ million) 3/	30.6	51.0	52.4	37.1	63.7	81.2
In months of imports	1.0	1.5	1.5	1.0	1.5	1.8
In percent of amortizations due in the following year	141.4	247.4	263.3	171.3	292.0	283.3
In percent of base money	52.9	86.1	83.8	54.8	89.0	82.3
In percent of base money and public sector securities	34.1	64.5	56.0	39.0	57.6	57.3

Sources: Central Bank of Belize, Ministry of Finance, and Fund staff estimates

1/ Exports of goods and services.

2/ Does not include debt service on publicly guaranteed debt.

3/ Gross official reserves excluding CBB deposits held as collateral in creditor banks.

Table 1. Belize: Selected Economic Indicators

	1996	1997	1998	1999	2000
(Annual percentage change)					
Real GDP at constant factor cost	1.4	3.2	1.5	6.5	10.4
Consumer price index					
Average	6.3	1.1	-0.9	-1.1	0.7
End of period	6.4	-0.6	-0.8	-1.1	1.0
<b>Terms of trade</b>	<b>2.2</b>	<b>-5.9</b>	<b>8.5</b>	<b>-12.5</b>	<b>-10.7</b>
Export prices	0.4	-8.6	4.2	-10.4	-8.8
Import prices	-1.8	-2.8	-3.9	2.4	2.2
(In percent of GDP, unless otherwise specified)					
<b>Nonfinancial public sector</b>					
<b>balance 1/</b>	<b>-2.2</b>	<b>-4.2</b>	<b>-6.0</b>	<b>-8.2</b>	<b>-9.7</b>
Privatization	0.0	0.0	0.0	3.9	3.2
External financing	6.6	3.8	3.3	4.2	12.3
Domestic financing	-4.4	0.4	2.7	-1.7	-6.1
Exceptional financing 2/	0.0	0.0	0.0	1.8	0.2
<b>Investment</b>	<b>19.2</b>	<b>24.8</b>	<b>25.8</b>	<b>27.5</b>	<b>31.6</b>
Private	11.6	14.1	13.3	14.7	16.8
Public	7.7	10.6	12.5	12.8	14.8
External savings	1.1	3.5	6.2	9.0	16.1
<b>Gross national savings</b>	<b>18.2</b>	<b>21.3</b>	<b>19.6</b>	<b>18.4</b>	<b>15.5</b>
Private	14.2	16.1	14.7	15.2	12.1
Public	4.0	5.1	4.9	3.2	3.4
Net official international reserves (millions of U.S. dollars)	49.2	48.8	35.6	63.2	113.8
Gross reserves (months of imports of goods and nonfactor services)	1.5	1.5	1.0	1.5	2.5

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

1/ For fiscal year beginning April 1.

2/ Sale of mortgages.

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

	1996	1997	1998	1999	2000
(In millions of Belize dollars at constant 1984 prices)					
<b>GDP at constant market prices</b>	<b>849.9</b>	<b>880.8</b>	<b>911.1</b>	<b>962.4</b>	<b>1,061.0</b>
Primary activities	157.5	171.6	169.3	190.6	198.2
Agriculture	112.7	125.1	113.7	123.8	128.0
Forestry	16.2	15.6	15.1	15.0	13.4
Fishing	23.6	26.0	35.5	46.0	49.6
Mining	5.1	4.9	5.0	5.8	7.2
Secondary activities	182.1	185.2	183.0	191.3	233.2
Manufacturing	122.5	124.8	121.2	126.3	154.6
Electricity and water supply	16.8	17.0	19.3	13.7	15.1
Construction	42.8	43.3	42.5	51.3	63.5
Services	383.2	389.5	405.0	424.6	459.4
Trade and tourism	123.5	125.8	134.1	138.3	164.3
Transport and communication	106.7	107.1	109.8	118.2	120.9
Finance and insurance	34.1	35.1	36.2	39.9	48.0
Real estate	37.6	37.7	39.1	42.9	43.4
Public administration	55.4	55.4	56.4	57.1	58.4
Other services	50.0	51.0	52.8	53.9	55.4
Banking charges 1/	-24.1	-22.7	-23.4	-25.7	-31.0
Net indirect taxes	127.2	134.6	153.8	155.9	170.3
<b>GDP at constant factor cost</b>	<b>722.7</b>	<b>746.2</b>	<b>757.4</b>	<b>806.5</b>	<b>890.7</b>
(Annual percentage change)					
<b>GDP at constant market prices</b>	<b>2.0</b>	<b>3.6</b>	<b>3.4</b>	<b>5.6</b>	<b>10.3</b>
Primary activities	6.8	8.9	-1.3	12.6	4.0
Agriculture	14.4	11.0	-9.1	8.9	3.4
Forestry	-8.9	-3.5	-3.1	-0.7	-11.1
Fishing	-9.0	10.5	36.2	29.8	7.8
Mining	-3.9	-4.2	3.4	15.4	23.9
Secondary activities	-1.4	1.7	-1.2	4.5	21.9
Manufacturing	0.5	1.9	-2.9	4.2	22.4
Electricity and water supply	1.8	1.1	13.4	-28.8	9.9
Construction	-7.7	1.3	-1.8	20.5	23.8
Services	0.7	1.6	4.0	4.8	8.2
Trade and tourism	-1.4	1.9	6.6	3.1	18.8
Transport and communication	4.2	0.4	2.5	7.7	2.2
Finance	-1.0	3.0	3.1	10.2	20.3
Real estate	4.3	0.3	3.6	9.8	1.2
Public administration	-3.8	0.0	1.9	1.1	2.4
Other services	2.5	2.0	3.5	2.1	2.7
Banking charges 1/	1.4	-5.8	3.1	10.2	20.3
Net indirect taxes	5.5	5.8	14.3	1.4	9.3
<b>GDP at constant factor cost</b>	<b>1.4</b>	<b>3.2</b>	<b>1.5</b>	<b>6.5</b>	<b>10.4</b>

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

	1996	1997	1998	1999	2000
	(Percentage distribution) 2/				
<b>Primary activities</b>	<b>21.8</b>	<b>23.0</b>	<b>22.4</b>	<b>23.6</b>	<b>22.2</b>
Agriculture	15.6	16.8	15.0	15.3	14.4
Forestry	2.2	2.1	2.0	1.9	1.5
Fishing	3.3	3.5	4.7	5.7	5.6
Mining	0.7	0.7	0.7	0.7	0.8
<b>Secondary activities</b>	<b>25.2</b>	<b>24.8</b>	<b>24.2</b>	<b>23.7</b>	<b>26.2</b>
Manufacturing	17.0	16.7	16.0	15.7	17.4
Electricity and water supply	2.3	2.3	2.5	1.7	1.7
Construction	5.9	5.8	5.6	6.4	7.1
<b>Services</b>	<b>53.0</b>	<b>52.2</b>	<b>53.5</b>	<b>52.6</b>	<b>51.6</b>
Trade and tourism	17.1	16.9	17.7	17.1	18.4
Transport and communication	14.8	14.4	14.5	14.7	13.6
Finance	4.7	4.7	4.8	4.9	5.4
Real estate	5.2	5.1	5.2	5.3	4.9
Public administration	7.7	7.4	7.5	7.1	6.6
Other services	6.9	6.8	7.0	6.7	6.2
Banking charges (-) 1/	-3.3	-3.0	-3.1	-3.2	-3.5

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

1/ Adjustment for double counting of bank service charges already considered as part of finance and insurance.

2/ At constant factor cost.

Table 3. Belize: National Accounts at Current Prices

	1996	1997	1998	1999	2000
(In millions of Belize dollars)					
<b>Gross domestic expenditure</b>	<b>1,285.6</b>	<b>1,360.6</b>	<b>1,433.8</b>	<b>1,627.3</b>	<b>1,918.4</b>
Consumption	1,042.9	1,039.5	1,089.3	1,219.4	1,400.2
Private sector	787.6	780.9	819.7	953.7	1,148.7
Public sector	255.3	258.6	269.5	265.7	251.5
Gross domestic investment	242.7	321.1	344.5	407.9	518.2
Fixed capital formation	236.9	302.0	306.0	366.1	470.0
Private sector	140.3	164.3	139.3	176.0	227.0
Public sector	96.6	137.7	166.8	190.1	242.9
Change in inventories	5.8	19.1	38.5	41.8	48.2
Balance of goods and nonfactor services	-23.8	-63.4	-96.4	-141.7	-277.3
Exports	618.2	682.2	676.2	749.5	769.3
Imports	642.0	745.6	772.6	891.2	1,046.6
GDP at market prices	1,261.8	1,297.2	1,337.4	1,485.6	1,641.1
Net factor income payments abroad	-47.6	-46.6	-58.2	-90.6	-115.2
GNP at market prices	1,214.2	1,250.6	1,279.2	1,395.0	1,525.9
Net indirect taxes	-188.8	-198.2	-225.7	-240.6	-263.4
GNP at factor cost	1,025.4	1,052.4	1,053.5	1,154.4	1,262.5
Consumption of fixed capital	-81.0	-83.0	-83.0	-83.0	-83.0
National income	944.4	969.4	970.5	1,071.4	1,179.5
(In percent of GDP at market prices)					
<b>Gross domestic expenditure</b>	<b>101.9</b>	<b>104.9</b>	<b>107.2</b>	<b>109.5</b>	<b>116.9</b>
Consumption	82.6	80.1	81.4	82.1	85.3
Private sector	62.4	60.2	61.3	64.2	70.0
Public sector	20.2	19.9	20.2	17.9	15.3
Gross domestic investment	19.2	24.8	25.8	27.5	31.6
Fixed capital formation	18.8	23.3	22.9	24.6	28.6
Private sector	11.1	12.7	10.4	11.8	13.8
Public sector	7.7	10.6	12.5	12.8	14.8
Change in inventories	0.5	1.5	2.9	2.8	2.9
Balance of goods and nonfactor services	-1.9	-4.9	-7.2	-9.5	-16.9
Exports	49.0	52.6	50.6	50.4	46.9
Imports	50.9	57.5	57.8	60.0	63.8
GDP at market prices	100.0	100.0	100.0	100.0	100.0
GNP at market prices	96.2	96.4	95.6	93.9	93.0
GNP at factor cost	81.3	81.1	78.8	77.7	76.9
National income	74.8	74.7	72.6	72.1	71.9
Ratio of private consumption to national inc	83.4	80.6	84.5	89.0	97.4

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

Table 4. Belize: Savings and Investment

	1996	1997	1998	1999	2000
(In millions of Belize dollars at current prices)					
<b>Gross domestic investment</b>	<b>242.7</b>	<b>321.1</b>	<b>344.5</b>	<b>407.9</b>	<b>518.2</b>
Fixed capital formation	236.9	302.0	306.0	366.1	470.0
Private sector	140.3	164.3	139.3	176.0	227.0
Public sector	96.6	137.7	166.8	190.1	242.9
<i>Of which</i>					
Nonfinancial public enterprises	16.5	44.5	51.5	23.9	24.6
Change in inventories	5.8	19.1	38.5	41.8	48.2
<b>Gross national savings</b>	<b>229.1</b>	<b>275.7</b>	<b>261.7</b>	<b>273.5</b>	<b>254.4</b>
Private sector	178.8	209.2	196.5	225.4	199.3
Public sector	50.3	66.5	65.2	48.1	55.1
<i>Of which</i>					
Nonfinancial public enterprises	13.9	15.9	17.3	14.3	7.8
<b>Foreign savings 1/</b>	<b>13.6</b>	<b>45.4</b>	<b>82.8</b>	<b>134.4</b>	<b>263.8</b>
(In percent of GDP at market prices)					
<b>Gross domestic investment</b>	<b>19.2</b>	<b>24.8</b>	<b>25.8</b>	<b>27.5</b>	<b>31.6</b>
Fixed capital formation	18.8	23.3	22.9	24.6	28.6
Private sector	11.1	12.7	10.4	11.8	13.8
Public sector	7.7	10.6	12.5	12.8	14.8
<i>Of which</i>					
Nonfinancial public enterprises	1.3	3.4	3.8	1.6	1.5
Change in inventories	0.5	1.5	2.9	2.8	2.9
<b>Gross national savings</b>	<b>18.2</b>	<b>21.3</b>	<b>19.6</b>	<b>18.4</b>	<b>15.5</b>
Private sector	14.2	16.1	14.7	15.2	12.1
Public sector	4.0	5.1	4.9	3.2	3.4
<i>Of which</i>					
Nonfinancial public enterprises	1.1	1.2	1.3	1.0	0.5
<b>Foreign savings 1/</b>	<b>1.1</b>	<b>3.5</b>	<b>6.2</b>	<b>9.0</b>	<b>16.1</b>
<b>Savings minus investment</b>	<b>-1.1</b>	<b>-3.5</b>	<b>-6.2</b>	<b>-9.0</b>	<b>-16.1</b>
Private sector	2.6	2.0	1.4	0.5	-4.6
Public sector	-3.7	-5.5	-7.6	-9.6	-11.4

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

1/ Current account deficit of the balance of payments.

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

	1996	1997	1998	1999	2000
(Units as indicated)					
<b>Sugarcane 1/</b>					
Acreage	50,000	60,000	65,000	58,500	58,500
Production ('000 long tons)					
Sugarcane	1,232	1,189	1,160	1,163	1,099
Sugar	106	123	123	116	120
<b>Oranges</b>					
Planted acreage 2/	47,907	48,441	48,441	63,080	72,235
Producing acreage	29,851	34,942	40,005	...	...
Production ('000 90-lb. boxes)	3,166	4,555	3,898	4,412	5,590
<b>Grapefruit</b>					
Planted acreage 2/	8,281	8,497	8,497	11,000	9,735
Producing acreage	6,640	6,828	7,564	...	...
Production ('000 80-lb. boxes)	1,159	1,418	1,236	1,322	1,391
<b>Bananas</b>					
Acreage	5,389	4,200	3,608	4,635	4,662
Production ('000 42-lb. boxes)	3,137	2,905	2,806	3,097	3,626
<b>Corn</b>					
Acreage	36,402	41,700	35,439	...	35,019
Production (million lbs.)	82	82	83	90	70
<b>Rice</b>					
Acreage	14,318	15,435	12,899	...	8,953
Production paddy (million lbs.)	28	37	21	28	25
<b>Red kidney beans</b>					
Acreage	10,299	10,428	11,384	...	13,266
Production	7,542	9,357	6,905	8,044	9,501
(Output per acre, unless otherwise specified)					
Cane per acre (long tons)	25	20	18	20	19
Cane to sugar ratio	12	10	9	10	9
Oranges (90-lb. boxes per planted acre) 3/	106	130	97	...	...
Grapefruit (80-lb. boxes per planted acre) 3/	175	208	163	...	...
Bananas (42-lb. boxes per planted acre)	582	692	778	668	778
Corn (lbs. per acre)	2,253	1,966	2,339	...	1,999
Rice (lbs. per acre)	1,956	2,397	1,615	...	2,792
Red kidney beans (lbs. per acre)	732	897	607	...	716

Sources: Central Statistical Office; and Ministry of Agriculture.

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

2/ Include trees not yet producing harvestable fruit.

3/ Calculated on the basis of total producing acreage.

Table 6. Belize: Agriculture and Forestry Production

	1996	1997	1998	1999	2000
(In units as indicated)					
Sugarcane (long tons) 1/	1,232	1,189	1,160	1,163	1,095
Oranges ('000 90-lb. boxes)	3,166	4,555	3,898	4,455	5,590
Grapefruit ('000 80-lb. boxes)	1,159	1,418	1,236	1,328	1,391
Corn (million lbs.)	82	82	83	90	60
Rice paddy (million lbs.)	28	37	21	28	25
Cocoa (thousand lbs.)	40	185	198	50	82
Red kidney beans ('000 lbs.)	7,542	9,357	6,905	8,044	9,299
Honey ('000 lbs.)	197	133	98	193	143
Pork (fresh)('000 lbs.) 2/	1,445	1,686	1,740	1,873	1,532
Beef (fresh)('000 lbs.) 2/	2,934	3,326	3,260	2,526	2,074
Poultry ('000 lbs.)	16,713	16,521	15,856	18,399	16,781
Bananas ('000 42-lb. boxes)	3,137	2,905	2,806	3,097	3,626
Milk ('000 lbs.)	2,504	2,511	2,492	2,934	2,203
Eggs ('000 doz.)	2,493	2,583	2,678	2,733	2,805
Timber ('000 bd. ft.)	19,711	18,427	18,427	...	...
(Annual percentage change)					
Sugarcane 1/	20.2	-3.5	-2.5	0.3	-5.8
Oranges	1.1	43.9	-14.4	14.3	25.5
Grapefruit	-4.5	22.3	-12.8	7.5	4.7
Corn	31.9	0.0	1.1	8.6	-33.3
Rice paddy	31.9	32.1	-43.7	34.4	-10.7
Cocoa	-46.7	362.5	7.0	-74.7	64.0
Red kidney beans	8.9	24.1	-26.2	16.5	15.6
Honey	-7.5	-32.5	-26.1	96.4	-25.9
Pork 2/	-5.3	16.7	3.2	7.6	-18.2
Beef 2/	-2.9	13.4	-2.0	-22.5	-17.9
Poultry	7.5	-1.1	-4.0	16.0	-8.8
Bananas	27.9	-7.4	-3.4	10.4	17.1
Milk	-18.6	0.3	-0.8	17.7	-24.9
Eggs	2.6	3.6	3.7	2.0	2.6
Timber	-11.2	-6.5	0.0	...	...

Source: Central Statistical Office.

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

2/ In slaughter houses only.

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

(In long tons; unless otherwise specified)

	1996	1997	1998	1999	2000
<b>Cane deliveries</b>	<b>1,093,450</b>	<b>1,134,041</b>	<b>1,167,321</b>	<b>1,162,578</b>	<b>1,098,771</b>
Corozal district	544,716	566,689	584,291	584,402	546,433
Orange Walk district	545,540	561,664	575,366	569,857	542,696
Research farmers	3,193	5,687	7,664	8,319	9,642
Sugar production	108,784	123,782	119,112	115,205	119,595
Molasses production	59,074	51,773	44,847	40,285	34,943
<b>Memorandum items:</b>					
Sugarcane per acre	25	20	18	20	19
Cane to sugar ratio 2/	12	10	9	10	9
Sugarcane prices paid to farmers (in Belize dollars per ton)	60.1	55.7	49.9	45.3	42.2

Sources: Belize Sugar Industry Limited; and Fund staff estimates.

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

2/ Sugar production in percent of cane deliveries.

Table 8. Belize: Production and Exports of Fisheries Products  
(In thousands of pounds)

	1996	1997	1998	1999	2000
<b>Total</b>					
Export volume	2,475	3,194	4,334	5,683	6,185
Local sales	337	387	321	...	...
Total production	2,812	3,581	4,654	...	...
<b>Lobsters</b>					
Export volume	583	641	549	606	623
Local sales	60	65	4	277	127
Total production	643	706	553	883	750
<b>Conch</b>					
Export volume	304	539	479	365	564
Local sales	40	62	78	91	127
Total production	344	601	557	456	691
<b>Shrimp</b>					
Export volume	1,184	1,690	3,186	4,637	4,897
Local sales	60	85	100	...	...
Total production	1,244	1,775	3,286	...	...
<b>Fin fish and fillet</b>					
Export volume	399	314	110	65	97
Local sales	170	162	134	347	41
Total production	569	476	245	412	138
<b>Others</b>					
Export volume	5	10	9	10	4
Local sales	7	13	5	6	6
Total production	12	23	14	16	10

Sources: Department of Fisheries; and Ministry of Agriculture.

Table 9. Belize: Industrial Production

	1996	1997	1998	1999	2000
(In units indicated)					
Sugar (long tons) 1/	108,784	123,782	119,112	115,205	119,595
Molasses (long tons) 1/2/	59,074	51,773	44,847	40,285	34,943
Flour ('000 lbs.)	27,768	25,623	25,061	17,780	25,204
Fertilizer (short tons)	24,734	21,525	21,326	25,236	23,277
Cigarettes (millions)	79	88	94	92	84
Beer ('000 gals.)	902	817	922	1,455	2,033
Soft drinks ('000 cases)	1,640	1,330	1,441	1,728	2,174
Batteries (units)	8,942	7,967	7,439	7,440	7,808
Garments ('000 units)	1,990	1,992	2,144	2,134	1,760
Citrus concentrates ('000 gals)	3,396	3,617	3,301	3,581	5,802
Single strength juices ('000 gals)	1,259	4,929	2,946	2,743	2,783
(Annual percentage change)					
Sugar 1/	-1.7	13.8	-3.8	-3.3	3.8
Molasses 1/2/	21.5	-12.4	-13.4	-10.2	-13.3
Flour	9.3	-7.7	-2.2	-29.1	41.8
Fertilizer	-7.0	-13.0	-0.9	18.3	-7.8
Cigarettes	-16.8	11.4	7.3	-2.6	-8.7
Beer	-16.9	-9.4	12.8	57.9	39.7
Soft drinks	-5.2	-18.9	8.3	19.9	25.8
Batteries	-19.4	-10.9	-6.6	0.0	4.9
Garments	0.8	0.1	7.6	-0.5	-17.5
Citrus concentrates	11.8	6.5	-8.7	8.5	62.0
Single strength juices	42.7	291.5	-40.2	-6.9	1.5

Source: Central Statistical Office.

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

2/ Data refers to Tower Hill factory.

Table 10. Belize: Indices of Industrial Production  
(1984 = 100)

	Weight (percent)	1996	1997	1998	1999	2000
Sugar 1/	53.4	107	122	117	113	118
Molasses 1/	1.9	181	159	138	124	107
Flour	1.5	1,098	1,014	991	703	997
Fertilizer	2.0	533	464	460	544	502
Cigarettes	4.9	122	136	146	142	130
Beer	6.0	143	130	146	231	323
Soft drinks	11.5	183	149	161	193	243
Batteries	0.3	161	143	134	134	141
Nails and roofing	1.2	3	2	2	2	1
Garments	6.1	101	101	109	109	90
Citrus concentrates	11.3	319	339	310	336	544
Single strength juices 2/	...	384	1,503	898	836	848
Industrial production 3/ (change in percentage)	100.0	166 -0.1	169 1.8	166 -1.9	172 4.0	211 22.4

Source: Statistical Appendix Table 23.

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	1996	1997	1998	1999	2000
(Index numbers: November 1990 = 100)						
<b>End of period 2/</b>	<b>100.0</b>	<b>121.2</b>	<b>120.5</b>	<b>119.5</b>	<b>118.2</b>	<b>119.4</b>
Food, beverages, and tobacco	34.7	121.9	121.8	120.8	119.1	119.8
Clothing and footwear	9.2	108.3	104.5	100.5	94.8	91.0
Household goods and maintenance	8.5	117.9	116.7	115.8	112.4	112.5
Rent, water, fuel, and power	16.7	128.6	129.3	130.3	131.5	133.9
Medical care	1.9	127.3	129.6	130.0	131.3	136.4
Transportation and communication	17.2	115.9	113.3	112.4	112.6	116.5
Recreation, education, and culture	8.0	126.5	129.2	125.6	125.1	125.6
Personal care	3.8	124.6	122.0	120.3	118.7	120.0
<b>Average</b>	<b>100.0</b>	<b>119.1</b>	<b>120.3</b>	<b>119.3</b>	<b>118.0</b>	<b>118.8</b>
Food, beverages, and tobacco	34.7	119.7	121.8	120.6	118.4	119.3
Clothing and footwear	9.2	107.9	106.0	102.2	97.1	93.0
Household goods and maintenance	8.5	116.2	116.7	116.2	113.6	112.6
Rent, water, fuel, and power	16.7	125.9	129.2	129.8	130.7	132.9
Medical care	1.9	127.3	128.6	128.8	130.8	134.4
Transportation and communication	17.2	114.2	113.4	112.3	111.9	114.2
Recreation, education, and culture	8.0	124.9	127.9	126.5	125.0	125.5
Personal care	3.8	122.8	122.5	121.3	119.3	120.6
(Annual percentage change)						
<b>End of period 2/</b>	<b>100.0</b>	<b>6.4</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-1.1</b>	<b>1.0</b>
Food, beverages, and tobacco	34.7	6.6	-0.1	-0.8	-1.4	0.6
Clothing and footwear	9.2	3.3	-3.5	-3.8	-5.7	-4.0
Household goods and maintenance	8.5	6.1	-1.0	-0.8	-2.9	0.1
Rent, water, fuel, and power	16.7	8.8	0.5	0.8	0.9	1.8
Medical care	1.9	4.6	1.8	0.3	1.0	3.9
Transportation and communication	17.2	5.7	-2.2	-0.8	0.1	3.5
Recreation, education, and culture	8.0	5.9	2.1	-2.8	-0.4	0.4
Personal care	3.8	5.9	-2.1	-1.4	-1.4	1.1
<b>Average</b>	<b>100.0</b>	<b>6.3</b>	<b>1.1</b>	<b>-0.9</b>	<b>-1.1</b>	<b>0.7</b>
Food, beverages, and tobacco	34.7	6.4	1.8	-1.0	-1.8	0.8
Clothing and footwear	9.2	2.9	-1.8	-3.6	-5.0	-4.2
Household goods and maintenance	8.5	4.6	0.4	-0.4	-2.3	-0.9
Rent, water, fuel, and power	16.7	9.4	2.6	0.4	0.7	1.7
Medical care	1.9	6.4	1.1	0.1	1.6	2.8
Transportation and communication	17.2	5.5	-0.7	-0.9	-0.4	2.1
Recreation, education, and culture	8.0	7.0	2.5	-1.1	-1.2	0.4
Personal care	3.8	5.7	-0.2	-1.0	-1.6	1.1

Sources: Central Statistical Office; and Fund staff estimates.

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)

	1996	1997	1998	1999	2000
Food, beverages, and tobacco	6.6	-0.1	-0.8	-1.4	0.6
Clothing and footwear	3.3	-3.5	-3.8	-5.7	-4.0
Household goods and maintenance	6.1	-1.0	-0.8	-2.9	0.1
Rent, water, fuel, and power	8.8	0.5	0.8	0.9	1.8
Medical care	4.6	1.8	0.3	1.0	3.9
Transportation and communication	5.7	-2.2	-0.8	0.1	3.5
Recreation, education, and culture	5.9	2.1	-2.8	-0.4	0.4
Personal care	5.9	-2.1	-1.4	-1.4	1.1
Premium gasoline	1.4	-1.8	0.0	5.8	11.4
Regular gasoline	0.0	-0.4	-1.2	4.2	12.0
Kerosene	14.2	-1.9	-4.9	4.4	11.1
Diesel	10.6	-1.9	-4.1	3.1	17.5

Sources: Statistical Appendix Tables 11 and 13.

Table 13. Belize: Price Structure of Petroleum Products  
(Belize dollars per gallon)

	December 1998				December 1999				December 2000			
	Premium	Regular	Kerosene	Diesel	Premium	Regular	Kerosene	Diesel	Premium	Regular	Kerosene	Diesel
<b>Retail price</b>	<b>4.96</b>	<b>4.80</b>	<b>2.93</b>	<b>3.54</b>	<b>5.25</b>	<b>5.00</b>	<b>3.06</b>	<b>3.65</b>	<b>5.85</b>	<b>5.60</b>	<b>3.40</b>	<b>4.29</b>
<b>Total landed cost</b>	<b>1.07</b>	<b>1.03</b>	<b>1.05</b>	<b>1.04</b>	<b>1.69</b>	<b>1.66</b>	<b>1.73</b>	<b>1.61</b>	<b>2.05</b>	<b>1.99</b>	<b>2.46</b>	<b>2.31</b>
Acquisition cost	0.94	0.90	0.92	0.91	1.56	1.53	1.60	1.48	1.90	1.84	2.32	2.16
Handling charges	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.15	0.15	0.15	0.15
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
<b>Government charges</b>	<b>2.96</b>	<b>2.93</b>	<b>1.23</b>	<b>1.84</b>	<b>2.64</b>	<b>2.45</b>	<b>0.70</b>	<b>1.37</b>	<b>2.87</b>	<b>2.71</b>	<b>0.32</b>	<b>1.29</b>
Stamp duty	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.00	0.00	0.00	0.00
Value-added tax	0.36	0.36	0.00	0.29	0.25	0.24	0.20	0.21	0.29	0.28	0.28	0.30
Import duty	0.45	0.45	0.00	0.27	0.45	0.45	0.00	0.29	0.45	0.45	0.00	0.27
Revenue replacement value	2.12	2.09	1.22	1.25	1.90	1.72	0.46	0.83	2.11	1.96	0.00	0.70
Other 1/	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03
<b>Commercial charges</b>	<b>0.93</b>	<b>0.86</b>	<b>0.64</b>	<b>0.66</b>	<b>0.93</b>	<b>0.90</b>	<b>0.62</b>	<b>0.69</b>	<b>0.93</b>	<b>0.90</b>	<b>0.62</b>	<b>0.69</b>
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-company	0.41	0.38	0.23	0.28	0.41	0.38	0.23	0.28	0.41	0.38	0.23	0.28
Gross margin-dealer	0.45	0.41	0.35	0.32	0.45	0.45	0.33	0.35	0.45	0.45	0.33	0.35

Source: Esso Standard Oil Company Limited (Belize).

1/ Tonnage dues and foreign exchange tax.

Table 14. Belize: Consolidated Operations of the Nonfinancial Public Sector  
(In percent of GDP)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Total revenue and grants</b>	<b>27.6</b>	<b>28.1</b>	<b>28.0</b>	<b>25.5</b>	<b>24.8</b>
Revenue	27.3	26.7	26.8	23.9	23.3
Current revenue	25.6	25.9	25.5	23.4	22.4
Central government	22.3	22.0	22.2	20.4	19.9
Social Security Board	2.3	2.6	2.1	2.2	2.2
NFPE's current surplus	1.0	1.3	1.3	0.9	0.4
Capital revenue	1.7	0.9	1.3	0.5	0.9
Grants	0.3	1.3	1.2	1.5	1.4
<b>Total expenditure</b>	<b>29.8</b>	<b>32.3</b>	<b>34.0</b>	<b>33.6</b>	<b>34.4</b>
Current expenditure	21.6	20.4	20.9	20.6	18.9
General government	21.6	20.4	20.9	20.6	18.9
Central government	20.5	19.3	19.8	19.1	17.7
Social Security Board	1.2	1.1	1.2	1.5	1.2
NFPE's current deficit	0.0	0.0	0.0	0.0	0.0
Capital expenditure	8.2	11.9	13.1	13.0	15.5
General government	6.8	7.8	9.4	12.0	13.8
Central government	6.3	7.3	8.7	11.8	13.8
Social Security Board	0.5	0.5	0.7	0.2	0.1
Public enterprises	1.4	4.1	3.7	1.0	1.7
<b>Overall balance (after grants)</b>	<b>-2.2</b>	<b>-4.2</b>	<b>-6.0</b>	<b>-8.2</b>	<b>-9.7</b>
Privatization	0.0	0.0	0.0	3.9	3.2
<b>Public sector borrowing requirement</b>	<b>2.2</b>	<b>4.2</b>	<b>6.0</b>	<b>4.3</b>	<b>6.4</b>
<b>External financing</b>	<b>6.6</b>	<b>3.8</b>	<b>3.3</b>	<b>4.2</b>	<b>12.3</b>
<b>Domestic financing</b>	<b>-4.4</b>	<b>0.4</b>	<b>2.7</b>	<b>-1.7</b>	<b>-6.1</b>
Financial system	-4.3	0.8	2.7	-0.9	-3.6
Central bank	-2.6	0.3	1.6	-3.2	-4.8
Commercial banks	-1.7	0.5	0.7	2.3	1.2
Development Finance Corporation	0.0	0.0	0.4	0.0	0.0
Private sector bonds 1/	0.0	-0.4	0.0	-0.1	-0.1
Other 2/	-0.1	0.0	0.1	-0.6	-2.3
<b>Exceptional financing 3/</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>0.2</b>
<b>Memorandum item:</b>					
NFPS savings	4.0	5.5	4.6	2.8	3.5
Central government	1.8	2.7	2.4	1.3	2.2
Social Security Board	1.2	1.5	0.9	0.7	1.0
Nonfinancial public enterprises	1.0	1.3	1.3	0.9	0.4

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

1/ 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.

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

3/ Sale of mortgages.

Table 15. Belize: Consolidated Operations of the Nonfinancial Public Sector  
(In millions of Belize dollars)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>I. Consolidated Nonfinancial Public Sector</b>					
<b>Total revenue and grants</b>	<b>351.3</b>	<b>366.8</b>	<b>384.9</b>	<b>388.0</b>	<b>412.5</b>
Revenue	347.3	349.6	368.7	364.4	388.7
Current revenue	325.8	338.1	350.7	356.9	374.0
Central government	283.0	287.7	304.6	310.4	331.8
Social Security Board	29.6	33.7	28.6	33.3	36.2
NFPE's current surplus	13.2	16.7	17.5	13.3	6.0
Capital revenue	21.5	11.5	18.0	7.5	14.6
Grants	4.1	17.2	16.2	23.6	23.8
<b>Total expenditure</b>	<b>378.8</b>	<b>422.0</b>	<b>467.3</b>	<b>512.4</b>	<b>573.5</b>
Current expenditure	274.9	266.4	287.6	313.8	314.9
General government	274.9	266.4	287.6	313.8	314.9
Central government 1/	260.0	252.3	271.6	291.2	294.6
Social Security Board	15.0	14.1	16.0	22.6	20.3
Capital expenditure	103.8	155.6	179.7	198.6	258.6
General government	86.7	102.0	128.9	183.7	230.8
Central government	80.3	95.7	119.9	180.5	229.4
Social Security Board	6.4	6.4	9.0	3.2	1.3
Public enterprises	17.2	53.6	50.8	14.9	27.8
<b>Overall balance (after grants)</b>	<b>-27.5</b>	<b>-55.2</b>	<b>-82.4</b>	<b>-124.4</b>	<b>-161.0</b>
Privatization	0.0	0.0	0.0	59.2	54.0
<b>Financing</b>	<b>27.5</b>	<b>55.2</b>	<b>82.4</b>	<b>65.2</b>	<b>107.0</b>
External	83.5	49.6	44.7	63.8	205.0
Domestic	-56.0	5.6	37.7	-25.6	-101.0
Financial system	-54.5	10.2	36.8	-14.0	-60.1
Central bank	-33.0	4.1	22.0	-49.1	-80.2
Commercial banks	-21.5	6.1	9.8	35.1	20.1
Development Finance Corporation	0.0	0.0	5.0	0.0	0.0
Nonfinancial system					
Private sector 2/	0.3	-5.0	0.0	-2.0	-2.0
Other	-1.8	0.5	0.9	-9.6	-38.9
Exceptional financing 4/	0.0	0.0	0.0	26.9	3.0
<b>Memorandum items:</b>					
Current savings	50.8	71.7	63.1	43.1	59.1
Central government	23.0	35.4	33.0	19.2	37.2
Social Security Board	14.6	19.5	12.6	10.6	15.8
Nonfinancial public enterprises	13.2	16.7	17.5	13.3	6.0
<b>II. General Government</b>					
<b>Revenue and grants</b>	<b>338.1</b>	<b>350.0</b>	<b>367.4</b>	<b>374.8</b>	<b>406.5</b>
Revenue	334.1	332.8	351.2	351.2	382.6
Central government	304.5	299.2	322.5	317.9	346.5
Social Security Board	29.6	33.7	28.6	33.3	36.2
Grants	4.1	17.2	16.2	23.6	23.8
<b>Total expenditure</b>	<b>361.6</b>	<b>368.5</b>	<b>416.5</b>	<b>497.5</b>	<b>551.7</b>
Current expenditure 1/	274.9	266.4	287.6	313.8	314.9
Capital expenditure and transfers	86.7	102.0	128.9	183.7	236.8
Of which					
Central bank building	6.6	14.5	2.5	0.0	0.0
<b>Overall balance (deficit -)</b>	<b>-23.5</b>	<b>-18.4</b>	<b>-49.1</b>	<b>-122.8</b>	<b>-145.2</b>
Privatization	0.0	0.0	0.0	59.2	54.0
<b>Financing</b>	<b>23.5</b>	<b>18.4</b>	<b>49.1</b>	<b>63.6</b>	<b>91.2</b>
External	72.3	2.3	26.6	63.1	200.0
Domestic	-48.8	16.1	22.5	-26.5	-111.8
Financial system	-60.0	22.6	18.4	-6.3	-79.8
Central Bank	-32.1	9.5	20.4	-53.1	-80.2
Commercial banks	-27.9	13.1	-7.0	46.8	0.4
Development Finance Corporation	0.0	0.0	5.0	0.0	0.0
Nonfinancial system 2/	9.0	-5.0	0.0	-2.0	-2.0
Other 3/	2.2	-1.4	4.1	-18.1	-30.0
Exceptional financing 4/	0.0	0.0	0.0	26.9	3.0

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

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>IIa. Central Government</b>					
<b>Revenue and grants</b>	<b>308.6</b>	<b>316.4</b>	<b>338.7</b>	<b>341.5</b>	<b>370.3</b>
Revenue	304.5	299.2	322.5	317.9	346.5
Current	283.0	287.7	304.6	310.4	331.8
Tax	251.6	257.0	271.5	265.2	297.6
Nontax	31.4	30.8	33.1	45.2	34.3
Capital	21.5	11.5	18.0	7.5	14.6
Grants	4.1	17.2	16.2	23.6	23.8
<b>Total expenditure</b>	<b>340.3</b>	<b>348.0</b>	<b>391.5</b>	<b>471.7</b>	<b>524.0</b>
Current expenditure 1/	260.0	252.3	271.6	291.2	294.6
Capital expenditure and transfers	80.3	95.7	119.9	180.5	229.4
<b>Overall deficit</b>	<b>-31.7</b>	<b>-31.6</b>	<b>-52.7</b>	<b>-130.2</b>	<b>-153.7</b>
Privatization	0.0	0.0	0.0	59.2	54.0
<b>Financing</b>	<b>31.7</b>	<b>31.6</b>	<b>52.7</b>	<b>71.0</b>	<b>99.7</b>
External	72.3	4.8	26.6	63.1	200.0
External borrowing	72.3	4.8	26.6	63.1	200.0
Disbursements	104.6	37.3	56.3	93.6	255.7
Amortization	-32.3	-32.5	-29.7	-30.8	-55.7
Domestic	-40.6	26.8	26.1	-19.0	-103.3
Financial system	-60.0	31.4	21.7	-2.7	-101.8
Central bank	-32.1	9.5	20.4	-31.0	-102.2
Commercial banks	-27.9	21.9	-3.7	28.4	0.4
Development Finance Corp.	0.0	0.0	5.0	0.0	0.0
Nonfinancial system	11.5	-0.5	4.5	-16.4	-2.0
Social security board loans	2.5	4.5	4.5	-14.4	0.0
Private sector 2/	9.0	-5.0	0.0	-2.0	-2.0
Other	7.9	-4.1	-0.1	0.1	0.5
Exceptional Financing 4/	0.0	0.0	0.0	26.9	3.0
<b>Memorandum item</b>					
Current savings	23.0	35.4	33.0	19.2	37.2
<b>IIb. Social Security Board</b>					
<b>Current revenue</b>	<b>29.6</b>	<b>33.7</b>	<b>28.6</b>	<b>33.3</b>	<b>36.2</b>
Contributions	15.0	15.9	16.5	16.7	17.4
Investment income	14.6	17.8	12.2	16.6	18.8
<b>Total expenditure</b>	<b>21.3</b>	<b>20.5</b>	<b>25.0</b>	<b>25.8</b>	<b>21.6</b>
Current expenditure	15.0	14.1	16.0	22.6	20.3
Benefit payments	9.7	9.7	11.6	13.8	12.6
Administration	5.3	4.4	4.4	8.8	7.7
Capital	1.8	1.3	1.5	0.7	1.3
Purchase of shares and net lending	4.6	5.1	7.5	2.5	0.0
<b>Current balance</b>	<b>14.6</b>	<b>19.5</b>	<b>12.6</b>	<b>10.6</b>	<b>15.8</b>
<b>Overall balance</b>	<b>8.2</b>	<b>13.1</b>	<b>3.6</b>	<b>7.4</b>	<b>14.5</b>

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

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>III. Nonfinancial public enterprises 5/</b>					
<b>Revenue and grants</b>	<b>89.8</b>	<b>99.4</b>	<b>103.7</b>	<b>71.2</b>	<b>41.9</b>
Current revenue	89.8	99.3	103.7	71.2	41.9
Operating revenue	88.1	94.6	99.2	69.7	40.6
Non-operating revenue	1.6	4.7	4.5	1.5	1.3
Transfers from government	0.2	0.2	0.2	0.2	0.2
Other	1.4	4.5	4.3	1.3	1.1
<b>Expenditure</b>	<b>93.8</b>	<b>136.1</b>	<b>136.9</b>	<b>72.8</b>	<b>63.7</b>
Current expenditure	76.6	82.6	86.1	57.9	35.9
Operating expenditure	70.5	76.3	76.2	52.0	35.2
Non-operating expenditure	6.1	6.3	10.0	5.9	0.7
Transfers to government	0.6	0.0	0.0	0.0	0.0
Interest and dividend expenses	5.6	6.3	10.0	5.9	0.7
Capital expenditure	17.2	53.6	50.8	14.9	27.8
<b>Operating surplus</b>	<b>17.7</b>	<b>18.3</b>	<b>23.0</b>	<b>17.7</b>	<b>5.5</b>
<b>Current surplus</b>	<b>13.2</b>	<b>16.7</b>	<b>17.5</b>	<b>13.3</b>	<b>6.0</b>
<b>Overall balance</b>	<b>-4.0</b>	<b>-36.8</b>	<b>-33.3</b>	<b>-1.6</b>	<b>-21.8</b>
<b>IIIa. Operations of the Belize Electricity Board 5/</b>					
<b>Revenue and grants</b>	<b>62.7</b>	<b>68.8</b>	<b>73.5</b>	<b>39.1</b>	<b>0.0</b>
Current revenue	62.7	68.8	73.5	39.1	0.0
Operating revenue	62.7	65.9	70.5	39.1	0.0
<i>Of which</i>					
Sale of electricity	59.9	62.0	66.8	36.5	0.0
Non-operating revenue	0.0	2.9	3.0	0.0	0.0
<b>Total expenditure</b>	<b>67.1</b>	<b>92.4</b>	<b>95.4</b>	<b>37.0</b>	<b>0.0</b>
Current expenditure	55.3	59.2	60.2	30.3	0.0
Capital expenditure	11.8	33.2	35.2	6.7	0.0
<b>Operating surplus</b>	<b>11.2</b>	<b>10.4</b>	<b>16.5</b>	<b>12.6</b>	<b>0.0</b>
<b>Current surplus</b>	<b>7.4</b>	<b>9.6</b>	<b>13.2</b>	<b>8.8</b>	<b>0.0</b>
<b>Overall balance</b>	<b>-4.4</b>	<b>-23.6</b>	<b>-22.0</b>	<b>2.1</b>	<b>0.0</b>

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

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>IIIb. Other public enterprises</b>					
<b>Revenue and grants</b>	<b>27.1</b>	<b>30.6</b>	<b>30.2</b>	<b>32.1</b>	<b>41.9</b>
Current revenue	27.1	30.5	30.2	32.1	41.9
Operating revenue	25.5	28.7	28.7	30.6	40.6
Non-operating revenue	1.6	1.8	1.5	1.5	1.3
Transfers from government	0.2	0.2	0.2	0.2	0.2
Other	1.4	1.6	1.3	1.3	1.1
<b>Expenditure</b>	<b>26.7</b>	<b>43.8</b>	<b>41.5</b>	<b>35.8</b>	<b>63.7</b>
Current expenditure	21.3	23.4	25.9	27.6	35.9
Operating expenditure	19.0	20.8	22.2	25.5	35.2
Non-operating expenditure	2.4	2.6	3.7	2.1	0.7
Capital expenditure	5.4	20.4	15.6	8.2	27.8
<b>Operating surplus</b>	<b>6.5</b>	<b>7.9</b>	<b>6.5</b>	<b>5.0</b>	<b>5.5</b>
<b>Current surplus</b>	<b>5.8</b>	<b>7.1</b>	<b>4.3</b>	<b>4.5</b>	<b>6.0</b>
<b>Overall balance</b>	<b>0.4</b>	<b>-13.2</b>	<b>-11.3</b>	<b>-3.7</b>	<b>-21.8</b>

Sources: Ministry of Finance; and Fund staff estimates.

1/ In 1996/97 includes a one-time bonus paid by the central government of about Bz\$13.2 million. It also includes a one-time payment of electricity bills from past years by the central government to the electricity company of about Bz\$4.3 million.

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

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

4/ Sale of mortgages.

5/ 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

	1996/97	1997/98	1998/99	1999/00	2000/01
(In percent of GDP)					
<b>Revenue and grants</b>	<b>24.3</b>	<b>24.2</b>	<b>24.7</b>	<b>22.4</b>	<b>22.2</b>
Revenue	24.0	22.9	23.5	20.9	20.8
Current revenue	22.3	22.0	22.2	20.4	19.9
Tax	19.8	19.7	19.8	17.4	17.9
Nontax	2.5	2.4	2.4	3.0	2.1
Capital revenue	1.7	0.9	1.3	0.5	0.9
Grants	0.3	1.3	1.2	1.5	1.4
<b>Expenditure</b>	<b>26.8</b>	<b>26.6</b>	<b>28.5</b>	<b>30.9</b>	<b>31.4</b>
Current expenditure	20.5	19.3	19.8	19.1	17.7
Wages and salaries	10.5	9.9	10.2	9.8	9.1
Interest payments	2.0	1.9	2.0	2.0	2.4
Goods and service	4.4	4.0	4.1	4.1	3.6
Other	3.6	3.5	3.4	3.3	2.5
Capital expenditure	6.3	7.3	8.7	11.8	13.8
Hurricane reconstruction	0.0	0.0	0.0	0.0	3.0
Non-hurricane reconstruction	0.0	0.0	0.0	0.0	10.8
<b>Overall deficit (after grants)</b>	<b>-2.5</b>	<b>-2.4</b>	<b>-3.8</b>	<b>-8.5</b>	<b>-9.2</b>
Privatization	0.0	0.0	0.0	3.9	3.2
<b>Central government borrowing requirement</b>	<b>2.5</b>	<b>2.4</b>	<b>3.8</b>	<b>4.7</b>	<b>6.0</b>
External (net)	5.7	0.4	1.9	4.1	12.0
Domestic	-3.2	2.0	1.9	-1.2	-6.2
Financial system	-4.7	2.4	1.6	-0.2	-6.1
Nonfinancial system 1/	0.9	0.0	0.3	-1.1	-0.1
Other 2/	0.6	-0.3	0.0	0.0	0.0
Exceptional financing 3/	0.0	0.0	0.0	1.8	0.2
(Annual percentage change)					
<b>Revenue and grants</b>	<b>13.9</b>	<b>2.5</b>	<b>7.1</b>	<b>0.8</b>	<b>8.4</b>
Revenue	12.9	-1.7	7.8	-1.4	9.0
<b>Total expenditure</b>	<b>9.0</b>	<b>2.3</b>	<b>12.5</b>	<b>20.5</b>	<b>11.1</b>
Current expenditure	9.2	-3.0	7.6	7.2	1.2
Capital expenditure	8.5	19.1	25.3	50.5	27.1
(In percent of GDP)					
<b>Memorandum item:</b>					
Current savings	1.8	2.7	2.4	1.3	2.2

Sources: Ministry of Finance; and Fund staff estimates and projections.

1/ 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.

2/ Statistical discrepancy.

3/ Sale of mortgages.

Table 17. Belize: Central Government Revenue

	1996/97	1997/98	1998/99	1999/00	2000/01
(In percent of GDP)					
<b>Total revenue and grants</b>	<b>24.3</b>	<b>24.2</b>	<b>24.7</b>	<b>22.4</b>	<b>22.2</b>
Total revenue	24.0	22.9	23.5	20.9	20.8
Tax revenue	19.8	19.7	19.8	17.4	17.9
Income tax	4.4	4.3	4.7	4.2	4.6
Property tax	0.1	0.1	0.1	0.1	0.1
Taxes on goods and services	8.0	7.5	7.1	5.4	5.5
Taxes on international trade	6.7	7.3	7.2	7.0	7.0
Nontax revenue	2.5	2.4	2.4	3.0	2.1
Capital revenue	1.7	0.9	1.3	0.5	0.9
Grants	0.3	1.3	1.2	1.5	1.4
(In percent of total revenue)					
Income tax	18.4	18.7	19.9	20.3	22.0
Property tax	0.5	0.5	0.5	0.7	0.6
Taxes on goods and services	33.3	32.8	30.4	25.8	26.4
Taxes on international trade	27.7	31.7	30.6	33.5	33.6
Nontax revenue	10.3	10.3	10.3	14.2	9.9
Capital revenue	7.1	3.8	5.6	2.4	4.2
(Annual percentage change)					
Tax revenue	7.9	2.1	5.6	-2.3	12.2
Income tax	-5.4	-0.2	14.9	0.6	18.3
Taxes on goods and services	254.6	-3.2	-0.1	-16.3	11.5
Taxes on international trade	-38.4	12.3	4.1	7.7	9.4
Nontax revenue	20.6	-2.1	7.6	36.6	-24.1

Sources: Ministry of Finance; and Fund staff estimates.

Table 18. Belize: Detailed Central Government Revenue

(In millions of Belize dollars)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Total revenue and grants</b>	<b>308.6</b>	<b>316.4</b>	<b>338.7</b>	<b>341.5</b>	<b>370.3</b>
<b>Total revenue</b>	<b>304.5</b>	<b>299.2</b>	<b>322.5</b>	<b>317.9</b>	<b>346.5</b>
<b>Current revenue</b>	<b>283.0</b>	<b>287.7</b>	304.6	310.4	331.8
Tax revenue	251.6	257.0	271.5	265.2	297.6
Income tax	55.9	55.8	64.1	64.5	76.3
Taxes on property	1.6	1.6	1.7	2.2	2.2
Taxes on goods and services	101.3	98.1	97.9	82.0	91.4
Excise on spirits and beer	14.6	11.4	13.2	3.5	2.2
Excise on cigarettes	1.8	2.2	2.1	2.1	0.5
Excise on soft drinks	2.2	3.3	2.4	1.2	0.5
Entertainment tax	0.0	0.0	0.0	0.0	0.2
Licenses	4.9	4.9	5.8	8.9	5.2
Other	1.5	0.1	0.5	1.9	0.5
VAT	76.4	76.1	73.9	-4.2	0.3
Sales tax	0.0	0.0	0.0	68.6	82.0
Taxes on international transactions	84.5	94.9	98.8	106.4	116.4
Import duty	48.4	52.4	51.9	58.8	63.6
Revenue replacement duty	29.7	36.2	40.4	39.8	38.8
Stamp duties (customs)	0.7	0.0	0.0	0.0	0.0
Goods in transit charge	0.5	0.5	0.6	0.4	1.0
Taxes on foreign currency transactions	5.2	5.8	6.0	7.4	8.1
Other taxes (stamp duties)	8.3	6.6	8.9	10.1	11.3
Stamp duties (other department)	8.3	6.6	8.9	10.1	11.1
Nontax revenue	31.4	30.8	33.1	45.2	34.3
Central bank profits	3.2	4.5	5.7	4.3	2.0
Contributions to pension fund	0.3	0.4	0.4	0.3	0.4
Other	21.3	20.1	21.1	31.9	30.9
Extrabudgetary revenue (charities fund)	2.2	2.3	1.9	1.8	0.0
Transfers from statutory bodies	3.4	1.9	3.2	3.6	0.5
Interest on deposits	1.0	1.5	0.8	3.3	0.0
<b>Capital revenue</b>	<b>21.5</b>	<b>11.5</b>	<b>18.0</b>	<b>7.5</b>	<b>14.6</b>
Citizenship bonds	0.0	0.1	1.1	0.0	0.0
Sale of crown land	2.8	3.3	4.1	3.8	4.3
Sale of equity	0.0	0.3	7.6	0.0	2.2
Transfers from NFPE's	0.0	0.0	0.0	0.0	0.0
Economic citizenship program	11.7	7.6	4.9	2.1	7.7
Other	7.0	0.2	0.2	1.6	0.4
<b>Grants</b>	<b>4.1</b>	<b>17.2</b>	<b>16.2</b>	<b>23.6</b>	<b>23.8</b>

Sources: Belize authorities; and Fund staff estimates.

Table 19. Belize: Central Government Expenditure

	1996/97	1997/98	1998/99	1999/2000	2000/01
(In percent of GDP)					
<b>Total expenditure</b>	<b>26.8</b>	<b>26.6</b>	<b>28.5</b>	<b>30.9</b>	<b>31.4</b>
Current expenditure	20.5	19.3	19.8	19.1	17.7
Wages and salaries 1/	10.5	9.9	10.2	9.8	9.1
Goods and services 2/	4.4	4.0	4.1	4.1	3.6
Interest payments	2.0	1.9	2.0	2.0	2.4
Subsidies and current transfers	2.3	2.2	2.1	1.9	1.4
Other	1.3	1.3	1.3	1.4	1.1
Capital expenditure and transfers	6.3	7.3	8.7	11.8	13.8
Central bank building	0.5	1.1	0.2	0.0	0.0
Hurricane reconstruction	0.0	0.0	0.0	0.0	3.0
Other	5.4	5.9	8.0	11.8	10.8
Transfers to nonfinancial public enterprises	0.4	0.3	0.6	0.0	0.0
(In percent of total expenditure)					
<b>Current expenditure</b>	<b>76.4</b>	<b>72.5</b>	<b>69.4</b>	<b>61.7</b>	<b>56.2</b>
Wages and salaries	39.3	37.4	35.8	31.5	28.9
Goods and services	16.5	14.9	14.5	13.2	11.6
Interest payments	7.3	7.0	7.0	6.4	7.7
Subsidies and current transfers	8.6	8.4	7.5	6.1	4.6
Other	4.8	4.9	4.5	4.5	3.4
<b>Capital expenditure and transfers</b>	<b>23.6</b>	<b>27.5</b>	<b>30.6</b>	<b>38.3</b>	<b>43.8</b>
Central bank building	1.9	4.2	0.6	0.0	0.0
Hurricane reconstruction	0.0	0.0	0.0	0.0	9.5
Other	20.2	22.3	27.9	38.3	34.2
Transfers to nonfinancial public enterprises	1.4	1.1	2.1	0.0	0.0
(Annual percentage change)					
<b>Total expenditure</b>	<b>9.0</b>	<b>2.3</b>	<b>12.5</b>	<b>20.5</b>	<b>11.1</b>
Current expenditure	9.2	-3.0	7.6	7.2	1.2
Wages and salaries	1.1	-2.7	7.9	6.0	2.0
Goods and services	33.1	-7.7	10.1	9.7	-2.6
Subsidies and current transfers	17.1	-0.1	0.3	-1.1	-16.8
Capital expenditure and transfers	8.5	19.1	25.3	50.5	27.1

Sources: Ministry of Finance; and Fund staff estimates.

1/ In 1996/97 includes a one-time bonus equivalent to 1.0 percent of GDP of which 0.7 percent of GDP was paid with bonds and 0.3 percent of GDP with cash.

2/ In 1996/97 includes a one-time payment of electricity bills from past years to the electricity company (equivalent 0.3 percent of GDP).

Table 20. Belize: Detailed Central Government Expenditure

(In millions of Belize dollars)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Total expenditure</b>	<b>340.3</b>	<b>348.0</b>	<b>391.5</b>	<b>471.7</b>	<b>524.0</b>
<b>Current expenditure</b>	<b>260.0</b>	<b>252.3</b>	<b>271.6</b>	<b>291.2</b>	<b>294.6</b>
Wages and salaries 1/	133.6	130.1	140.3	148.7	151.7
Pensions	16.3	17.0	17.8	21.0	17.8
Goods and services 2/	56.0	51.7	56.9	62.4	60.8
Interest payments	24.9	24.4	27.3	30.2	40.3
Domestic	11.6	10.0	10.8	11.4	12.5
Foreign	13.3	14.4	16.6	18.8	27.8
Subsidies and current transfers	29.2	29.1	29.2	28.9	24.0
Foreign	4.1	4.1	3.5	4.9	3.1
Domestic private sector	20.8	21.7	23.8	18.3	19.5
Nonfinancial public enterprises	4.2	3.4	1.9	5.7	1.5
<b>Capital expenditure and transfers</b>	<b>80.3</b>	<b>95.7</b>	<b>119.9</b>	<b>180.5</b>	<b>229.4</b>
Capital expenditure	75.4	92.0	111.8	180.5	229.4
Central bank building	6.6	14.5	2.5	0.0	0.0
Hurricane reconstruction	0.0	0.0	0.0	0.0	50.0
Other	68.8	77.5	109.3	180.5	179.4
Transfers to nonfinancial public enterprises	4.9	3.7	8.1	0.0	0.0
<b>Memorandum items:</b>					
Capital expenditure (excluding central bank building)	68.8	77.5	109.3	180.5	229.4
Financed with domestic resources (Cap II)	41.4	48.8	60.8	78.1	52.4
Financed with external resources (Cap III)	27.4	28.7	48.5	102.4	177.0
Loans	23.3	17.3	32.3	78.8	153.1
Grants	4.1	11.4	16.2	23.6	23.8

Sources: Ministry of Finance; and Fund staff estimates.

1/ In 1996/97 includes a one-time bonus of about Bz\$13.2 million, of which Bz\$9 million was paid with bonds and Bz\$4.2 million with cash.

2/ In 1996/97 includes a one-time payment of electricity bills from past years to the electricity company of about Bz\$4.3 million.

Table 21. Belize: Operations of the Social Security Board

(In percent of GDP)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Revenue</b>	<b>2.3</b>	<b>2.6</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>
Contributions	1.2	1.2	1.2	1.1	1.0
Interest and other income	1.1	1.4	0.9	1.1	1.1
<b>Total expenditure</b>	<b>1.7</b>	<b>1.6</b>	<b>1.8</b>	<b>1.7</b>	<b>1.3</b>
Current expenditure	1.2	1.1	1.2	1.5	1.2
Benefit payments	0.8	0.7	0.8	0.9	0.8
Administration	0.4	0.3	0.3	0.6	0.5
Capital expenditure	0.1	0.1	0.1	0.0	0.1
Shares and other long-term investments 1/	0.4	0.4	0.5	0.2	0.0
<b>Current balance</b>	<b>1.2</b>	<b>1.5</b>	<b>0.9</b>	<b>0.7</b>	<b>1.0</b>
<b>Overall balance</b>	<b>0.6</b>	<b>1.0</b>	<b>0.3</b>	<b>0.5</b>	<b>0.9</b>

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. Payment will be recorded in 2001/02.

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

(In percent of GDP)

	1996/97	1997/98	1998/99	1999/00	2000/01
<b>Revenue</b>	<b>7.1</b>	<b>7.6</b>	<b>7.5</b>	<b>4.7</b>	<b>2.5</b>
Operating revenue	6.9	7.2	7.2	4.6	2.4
Non-operating revenue 2/	0.1	0.4	0.3	0.1	0.1
<b>Expenditure</b>	<b>7.4</b>	<b>10.4</b>	<b>10.0</b>	<b>4.8</b>	<b>3.8</b>
Current expenditure	6.0	6.3	6.3	3.8	2.2
Operating expenditure	5.5	5.8	5.5	3.4	2.1
Non-operating expenditure 3/	0.5	0.5	0.7	0.4	0.0
Capital expenditure	1.4	4.1	3.7	1.0	1.7
<b>Operating surplus</b>	<b>1.4</b>	<b>1.4</b>	<b>1.7</b>	<b>1.2</b>	<b>0.3</b>
<b>Current surplus</b>	<b>1.0</b>	<b>1.3</b>	<b>1.3</b>	<b>0.9</b>	<b>0.4</b>
<b>Overall balance</b>	<b>-0.3</b>	<b>-2.8</b>	<b>-2.4</b>	<b>-0.1</b>	<b>-1.3</b>

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.

2/ Includes transfers from government.

3/ Includes interest payments.

Table 23. Belize: Summary Accounts of the Financial System

	1996	1997	1998	1999	2000
	(In millions of Belize dollars)				
<b>Net foreign assets</b>	<b>105.1</b>	<b>87.8</b>	<b>50.3</b>	<b>119.5</b>	<b>235.9</b>
<i>Of which</i>					
International reserves	98.4	97.7	71.1	126.4	227.7
<b>Domestic credit</b>	<b>647.3</b>	<b>737.1</b>	<b>836.8</b>	<b>874.1</b>	<b>1,079.5</b>
Credit to the public sector	55.6	68.1	103.9	82.1	133.0
Central government (net) 1/	81.8	111.3	142.7	139.3	69.1
Rest of public sector (net)	-26.3	-43.2	-38.7	-57.2	63.9
Credit to private sector	626.3	710.0	787.1	862.4	995.9
Other assets (net)	-34.6	-41.0	-54.2	-70.4	-49.4
<b>Foreign liabilities (medium and long term)</b>	<b>31.7</b>	<b>38.0</b>	<b>37.8</b>	<b>41.6</b>	<b>197.4</b>
<b>Liabilities to private sector</b>	<b>720.7</b>	<b>786.9</b>	<b>849.4</b>	<b>952.0</b>	<b>1,118.0</b>
Money and quasi-money	644.0	698.1	752.3	836.7	970.0
Money	154.9	154.7	176.9	209.5	269.2
Quasi-money 2/	476.5	527.0	560.0	604.4	682.0
Foreign currency deposits	12.6	16.4	15.4	22.8	18.7
Capital and reserves	76.7	88.8	97.1	115.4	148.1
<b>Memorandum items:</b>					
Monetary base	118.5	125.1	135.2	143.2	197.4
Foreign reserve coverage	83.0	78.1	52.6	88.3	115.3
	(Annual change, as percent of liabilities to the private sector, at the beginning of the period)				
<b>Domestic credit</b>	<b>-2.1</b>	<b>12.5</b>	<b>12.7</b>	<b>4.4</b>	<b>21.6</b>
Credit to the public sector	-9.0	1.7	4.5	-2.6	5.3
Central government (net)	-8.4	4.1	4.0	-0.4	-7.4
Rest of public sector (net)	-0.6	-2.4	0.6	-2.2	12.7
Credit to the private sector	7.6	11.6	9.8	8.9	14.0
	(Annual percentage change)				
<b>Liabilities to the private sector</b>	<b>6.4</b>	<b>9.2</b>	<b>7.9</b>	<b>12.1</b>	<b>17.4</b>
Money and quasi-money	4.3	8.0	8.1	10.4	16.9
Money	5.7	-0.2	14.4	18.4	28.5
Quasi-money 2/	3.8	10.6	6.3	7.9	12.8
Capital and reserves	13.8	15.8	9.3	18.9	28.3
	(In percent of GDP)				
<b>Domestic credit</b>	<b>51.3</b>	<b>56.8</b>	<b>62.5</b>	<b>58.8</b>	<b>65.8</b>
Credit to the public sector	4.4	5.3	7.8	5.5	8.1
Central government (net) 1/	6.5	8.6	10.7	9.4	4.2
Rest of public sector (net)	-2.1	-3.3	-2.9	-3.8	3.9
Credit to the private sector	49.6	54.7	58.8	58.0	60.7
Other assets (net)					
<b>Liabilities to the private sector</b>	<b>57.1</b>	<b>60.7</b>	<b>63.5</b>	<b>64.1</b>	<b>68.1</b>
Money and quasi-money	50.0	52.6	55.1	54.8	58.0
Money	12.3	11.9	13.2	14.1	16.4
Quasi-money 2/	37.8	40.6	41.9	40.7	41.6
Capital and reserves	6.1	6.8	7.3	7.8	9.0
	(Annual percentage change)				
<b>Memorandum items:</b>					
Monetary base	2.6	5.5	8.1	5.9	37.9
Credit to the private sector	9.0	13.4	10.9	9.6	15.5

Source: Statistical Appendix Table 30.

1/ Includes expenditure and financing related to the construction of the central bank building (1995-98).

2/ Includes membership shares in credit unions.

Table 24. Belize: Detailed Accounts of the Financial System 1/  
(In millions of Belize dollars)

	1996	1997	1998	1999	2000
<b>I. Central Bank</b>					
<b>International reserves (net)</b>	<b>98.4</b>	<b>97.7</b>	<b>71.1</b>	<b>126.4</b>	<b>227.7</b>
Assets	101.9	105.0	74.3	128.5	229.3
Liabilities (-)	-3.5	-7.3	-3.2	-2.1	-1.7
<b>Net domestic assets</b>	<b>-21.9</b>	<b>-18.5</b>	<b>15.5</b>	<b>-22.7</b>	<b>-112.5</b>
Credit to nonfinancial public sector (net)	43.6	49.9	90.9	37.1	65.9
Central government (net)	38.5	46.4	89.0	58.3	-13.0
Loans and advances	48.2	49.7	45.1	42.0	45.0
Securities	63.8	40.5	49.8	25.8	17.7
Treasury bills	31.5	7.9	37.7	13.6	5.5
Other securities	32.3	32.7	12.2	12.2	12.2
Deposits (-) 2/	-73.5	-43.8	-5.9	-9.4	-75.7
Rest of nonfinancial public sector	5.1	3.4	1.8	-21.2	78.8
Loans and advances	6.4	4.2	2.3	1.0	84.2
Deposits	-1.3	-0.7	-0.4	-22.2	-5.4
Net position of commercial banks	-40.8	-44.8	-47.7	-38.8	-81.8
Advances	1.3	1.1	0.9	0.6	0.4
Deposits (-)	-42.0	-45.9	-48.6	-39.4	-82.2
Other assets	8.2	6.5	7.4	7.4	7.4
Fixed assets	2.9	2.6	3.4	3.4	3.4
Local bank clearing	5.3	3.9	4.0	4.0	4.0
Other liabilities	-28.6	-26.9	-33.1	-27.7	-19.9
Capital and reserves	-19.3	-20.2	-20.8	-20.8	-23.6
Undistributed profits	-5.2	-6.8	-6.8	-6.8	-4.8
Other liabilities, residual	-4.0	0.1	-5.5	-0.1	8.5
Medium-term external liabilities 2/	-4.4	-3.1	-1.9	-0.6	-84.0
<b>Currency issue</b>	<b>76.5</b>	<b>79.2</b>	<b>86.7</b>	<b>103.8</b>	<b>115.2</b>
<b>II. Commercial Banks</b>					
<b>Net foreign assets</b>	<b>6.7</b>	<b>-9.9</b>	<b>-20.8</b>	<b>-6.9</b>	<b>8.2</b>
Foreign assets	75.3	69.6	73.8	86.3	138.7
Foreign liabilities	-68.5	-79.4	-94.6	-93.2	-130.5
<b>Net claims on central bank</b>	<b>53.4</b>	<b>57.6</b>	<b>64.0</b>	<b>58.4</b>	<b>101.0</b>
Cash in vault	12.7	12.8	16.3	19.6	19.2
Reserve deposits	42.0	45.9	48.6	39.4	82.2
Advances (-)	-1.3	-1.1	-0.9	-0.6	-0.4
<b>Net domestic credit</b>	<b>507.4</b>	<b>576.7</b>	<b>627.2</b>	<b>708.3</b>	<b>767.3</b>
Nonfinancial public sector (net)	12.9	18.7	14.2	44.9	55.4
Central government (net)	35.8	57.0	46.1	73.7	70.3
Treasury bills and other securities	39.8	61.9	55.1	78.1	86.1
Deposits (-)	-4.0	-4.9	-9.0	-4.5	-15.9
Rest of public sector (net)	-22.9	-38.3	-31.9	-28.8	-14.9
Loans and advances	2.9	5.2	15.6	6.4	10.2
Securities	9.5	0.1	0.1	0.1	0.1
Deposits (-)	-35.2	-43.6	-47.7	-35.2	-25.2
Social Security Board	-23.8	-22.0	-31.7	-17.1	-8.3
Statutory bodies	-8.9	-18.1	-12.0	-14.1	-12.8
Other	-2.5	-3.6	-4.0	-4.0	-4.0
Credit to private sector	485.6	552.1	620.2	678.9	726.9
Other assets net 3/	8.9	5.9	-7.1	-15.5	-14.9
<b>Liabilities to the private sector</b>	<b>567.6</b>	<b>624.4</b>	<b>670.4</b>	<b>759.8</b>	<b>876.5</b>
Deposits	509.6	557.1	596.4	669.7	762.8
Domestic currency	497.0	540.7	581.0	647.0	744.0
Demand deposits	94.6	94.2	111.4	139.7	184.2
Savings deposits	116.4	123.0	128.2	141.2	173.5
Time deposits	286.0	323.5	341.4	366.1	386.3
Foreign currency	12.6	16.4	15.4	22.7	18.7
Capital and reserves	58.0	67.4	74.0	90.1	113.8

Table 24. Belize: Detailed Accounts of the Financial System 1/  
(In millions of Belize dollars)

	1996	1997	1998	1999	2000
III. Consolidated Banking System (I+II)					
<b>Net foreign assets</b>	<b>105.1</b>	<b>87.8</b>	<b>50.3</b>	<b>119.5</b>	<b>235.9</b>
Assets	177.2	174.5	148.2	214.8	368.1
Liabilities	-72.1	-86.7	-97.9	-95.3	-132.2
<b>Net domestic assets</b>	<b>526.3</b>	<b>603.1</b>	<b>690.5</b>	<b>724.4</b>	<b>736.6</b>
Nonfinancial public sector (net)	56.6	68.6	105.0	82.0	121.2
Central government (net)	74.4	103.4	135.2	132.0	57.3
Claims	151.8	152.1	150.1	145.9	148.8
Deposits (-) 1/	-77.4	-48.7	-14.9	-13.9	-91.5
Rest of the nonfinancial public sector	-17.8	-34.8	-30.1	-50.0	63.9
Claims	18.7	9.5	18.0	7.5	94.5
Deposits (-)	-36.5	-44.3	-48.1	-57.4	-30.5
Social Security Board	-23.8	-22.0	-31.7	-17.1	-8.3
Other public agencies	-12.7	-22.4	-16.4	-40.3	-22.2
Credit to private sector	485.6	552.1	620.2	678.9	726.9
Deposits of private financial institutions	-3.9	-12.3	-4.0	-2.0	-8.6
Other assets (net) 3/	-12.0	-5.4	-30.8	-34.5	-102.8
<b>Liabilities to the private sector</b>	<b>631.4</b>	<b>690.9</b>	<b>740.8</b>	<b>844.0</b>	<b>972.5</b>
Money and quasi-money	560.8	607.1	651.4	731.2	840.0
Money	158.4	160.6	181.8	223.9	280.2
Currency in circulation	63.8	66.4	70.4	84.1	96.0
Demand deposits	94.6	94.2	111.4	139.7	184.2
Quasi money	402.4	446.5	469.6	507.3	559.8
Savings deposits	116.4	123.0	128.2	141.2	173.5
Time deposits	286.0	323.5	341.4	366.1	386.3
Foreign currency deposits	12.6	16.4	15.4	22.7	18.7
Bank capital and reserves	58.0	67.4	74.0	90.1	113.8
IV. Development Finance Corporation					
<b>Claims on banks</b>	<b>0.6</b>	<b>2.6</b>	<b>1.5</b>	<b>10.0</b>	<b>6.6</b>
Deposits	0.6	2.6	1.5	10.0	6.6
<b>Net claims on central bank</b>	<b>-5.7</b>	<b>-4.7</b>	<b>-5.6</b>	<b>3.8</b>	<b>-80.7</b>
Cash and deposits	0.3	0.7	0.1	0.1	0.1
Advances (-)	-6.0	-5.4	-5.7	3.7	-80.8
<b>Net domestic credit</b>	<b>32.4</b>	<b>37.0</b>	<b>40.0</b>	<b>27.2</b>	<b>187.5</b>
Credit to nonfinancial public sector	-9.8	-9.7	-11.3	-11.2	0.0
Central government (net)	-1.3	-1.3	-2.7	-4.0	0.0
Rest of public sector (net)	-8.5	-8.4	-8.6	-7.2	0.0
Credit to private sector	53.8	60.8	66.0	68.0	121.9
Capital and reserves	-8.7	-10.7	-11.9	-12.8	-17.0
Other assets (net)	-2.9	-3.4	-2.8	-16.8	82.6
<b>Foreign liabilities (medium and long term)</b>	<b>27.3</b>	<b>34.9</b>	<b>35.9</b>	<b>41.0</b>	<b>113.4</b>

Table 24. Belize: Detailed Accounts of the Financial System 1/  
(In millions of Belize dollars)

	1996	1997	1998	1999	2000
V. Government Savings Bank					
<b>Net domestic credit</b>	<b>8.2</b>	<b>8.7</b>	<b>9.6</b>	<b>10.7</b>	<b>11.2</b>
Credit to the central government (net)	8.8	9.3	10.2	11.3	11.8
Official capital and reserves	-0.6	-0.6	-0.6	-0.6	-0.6
<b>Liabilities to private sector (savings deposit)</b>	<b>8.2</b>	<b>8.7</b>	<b>9.6</b>	<b>10.7</b>	<b>11.2</b>
VI. Credit Unions					
<b>Claims on banks</b>	<b>12.5</b>	<b>13.3</b>	<b>14.5</b>	<b>18.7</b>	<b>30.1</b>
Demand deposits	2.4	2.4	2.9	3.8	3.8
Time deposits	10.1	10.9	11.6	14.9	26.3
<b>Net claims on central bank (cash in vault)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>
<b>Net domestic credit</b>	<b>82.0</b>	<b>90.7</b>	<b>100.6</b>	<b>107.5</b>	<b>141.0</b>
Credit to private sector	86.9	97.1	100.9	115.5	147.1
Other assets (net)	-4.9	-6.4	-0.3	-8	-6.1
<b>Liabilities to private sector</b>	<b>94.7</b>	<b>104.2</b>	<b>115.5</b>	<b>126.6</b>	<b>171.6</b>
Share capital	76.0	82.8	92.4	101.3	137.3
Reserves	18.8	21.5	23.1	25.3	34.3
VII. Consolidated Rest of the Financial System (IV+V+VI)					
<b>Claims on banks</b>	<b>13.1</b>	<b>15.9</b>	<b>16.0</b>	<b>28.7</b>	<b>36.7</b>
Demand deposits	3.0	5.0	4.4	13.8	10.4
Time deposits	10.1	10.9	11.6	14.9	26.3
<b>Net claims on central bank</b>	<b>-5.4</b>	<b>-4.4</b>	<b>-5.2</b>	<b>4.3</b>	<b>-80.2</b>
Cash in vault	0.6	1.0	0.5	0.6	0.6
Advances (-)	-6.0	-5.4	-5.7	3.7	-80.8
<b>Domestic credit</b>	<b>122.6</b>	<b>136.3</b>	<b>150.2</b>	<b>145.3</b>	<b>339.7</b>
Credit to nonfinancial public sector (net)	-1.0	-0.5	-1.1	0.1	11.8
Central government (net)	7.5	7.9	7.5	7.3	11.8
Rest of the public sector	-8.5	-8.4	-8.6	-7.2	0.0
Credit to private sector	140.7	157.9	166.9	183.5	269.0
Official capital and reserves	-9.3	-11.3	-12.5	-13.4	-17.6
Unclassified assets (net)	-7.8	-9.8	-3.1	-24.9	76.5
<b>Liabilities to private sector</b>	<b>103.0</b>	<b>112.9</b>	<b>125.1</b>	<b>137.3</b>	<b>182.8</b>
Share capital	76.0	82.8	92.4	101.3	137.3
Savings deposits	8.2	8.7	9.6	10.7	11.2
Other reserves	18.8	21.5	23.1	25.3	34.3
<b>Foreign liabilities (medium and long term)</b>	<b>27.3</b>	<b>34.9</b>	<b>35.9</b>	<b>41.0</b>	<b>113.4</b>

Table 24. Belize: Detailed Accounts of the Financial System  
(In millions of Belize dollars)

	1996	1997	1998	1999	2000
VIII. Consolidated Financial System (III+VII)					
<b>Net foreign assets</b>	<b>105.1</b>	<b>87.8</b>	<b>50.3</b>	<b>119.5</b>	<b>235.9</b>
Assets	177.2	174.5	148.2	214.8	368.1
Liabilities (-)	-72.1	-86.7	-97.9	-95.3	-132.2
<b>Domestic credit</b>	<b>647.3</b>	<b>737.1</b>	<b>836.8</b>	<b>874.1</b>	<b>1,079.5</b>
Credit to nonfinancial public sector (net)	55.6	68.1	103.9	82.1	133.0
Central government (net)	81.8	111.3	142.7	139.3	69.1
Claims	159.2	160.1	157.6	153.2	160.6
Deposits (-) 1/	-77.4	-48.7	-14.9	-13.9	-91.5
Rest of the public sector (net)	-26.3	-43.2	-38.7	-57.2	63.9
Credit to private sector	626.3	710.0	787.1	862.4	995.9
Official capital and reserves	-19.3	-20.2	-20.8	-20.8	-23.6
Other assets (net) 4/	-15.3	-20.9	-33.4	-49.6	-25.8
<b>Foreign liabilities (medium and long term)</b>	<b>31.7</b>	<b>38.0</b>	<b>37.8</b>	<b>41.6</b>	<b>197.4</b>
<b>Liabilities to private sector</b>	<b>720.7</b>	<b>786.9</b>	<b>849.4</b>	<b>952.0</b>	<b>1,118.0</b>
Currency in circulation	63.3	65.5	69.9	83.5	95.4
Demand deposits	91.7	89.2	107.0	125.9	173.8
Time deposits	275.9	312.6	329.8	351.2	360.0
Savings deposits	124.6	131.6	137.8	151.9	184.7
Foreign currency deposits	12.6	16.4	15.4	22.7	18.7
Share capital	76.0	82.8	92.4	101.3	137.3
Capital and reserves	76.7	88.8	97.1	115.4	148.1

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

1/ The financing and unspent balances related to the construction of the central bank building are classified central government operations.

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

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

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

Table 25. Belize: Interest Rates 1/  
(Annual percentage)

	Treasury Bill	Central Bank	Commercial Bank Rates						Weighted Average		US\$LIBOR	Spread lending minus	Difference between Belize and
	Discount rate	Lending rate	Saving deposits	Time deposits 2/	Personal loans	Commercial loans	Mortgage loans	Deposits	Loans	90-Day	deposits interest rates	international interest rates 3/	
<b>1996</b>													
I	4.0	12.0	5.3	10.0	17.0	16.3	14.9	7.2	16.3	5.4	9.2	4.4	
II	3.9	12.0	5.3	9.3	17.1	16.2	14.9	6.6	16.3	5.5	9.7	3.6	
III	3.7	12.0	5.3	8.5	17.1	16.3	14.8	6.1	16.5	5.6	10.4	2.8	
IV	3.7	12.0	5.3	8.5	17.0	16.2	14.9	6.2	16.3	5.5	10.0	2.8	
<b>1997</b>													
I	3.7	12.0	5.3	9.0	16.8	16.1	14.9	6.5	16.2	5.6	9.1	3.3	
II	3.5	12.0	5.3	9.3	16.8	15.9	14.9	6.7	16.1	5.8	8.8	3.2	
III	3.5	12.0	5.4	9.2	17.0	16.0	15.1	6.7	16.3	5.7	9.0	3.3	
IV	3.4	12.0	5.4	9.3	17.3	16.3	15.4	6.7	16.5	5.8	9.2	3.3	
<b>1998</b>													
I	3.4	12.0	5.4	9.3	17.4	16.2	15.8	6.8	16.5	5.7	9.1	3.4	
II	3.4	12.0	5.4	8.8	17.3	16.2	15.8	6.5	16.5	5.8	9.5	2.9	
III	3.4	12.0	5.4	8.6	11.4	16.4	15.9	6.2	16.5	5.6	9.7	2.8	
IV	5.1	12.0	5.4	8.3	16.9	16.3	15.8	6.1	16.4	5.3	9.7	2.9	
<b>1999</b>													
I	5.9	12.0	5.4	8.2	16.8	16.3	15.6	6.0	16.3	5.0	9.7	3.0	
II	5.9	12.0	5.4	8.2	16.8	16.3	15.6	5.9	16.3	5.1	9.8	2.9	
III	5.9	12.0	5.7	8.1	17.0	16.3	15.7	5.7	16.3	5.6	9.8	2.3	
IV	5.9	12.0	5.7	8.0	17.0	16.2	15.2	5.7	16.2	6.1	9.8	1.8	
<b>2000</b>													
I	5.9	12.0	5.4	8.0	17.0	16.1	15.2	5.5	16.2	6.2	10.1	1.7	
II	5.9	12.0	5.4	7.8	16.9	15.9	15.0	5.4	16.1	6.7	10.0	1.0	
III	5.9	12.0	5.4	7.6	16.8	15.5	14.8	5.4	15.9	6.7	10.0	0.8	
IV	5.9	12.0	5.4	7.3	16.7	15.6	14.7	5.1	15.9	6.6	10.0	0.7	

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 26. Belize: Treasury Securities by Holder  
(In millions of Belize dollars, end of period)

	1996	1997	1998	1999	2000
<b>Total holdings</b>	<b>72.8</b>	<b>70.8</b>	<b>87.8</b>	<b>93.3</b>	<b>93.3</b>
Treasury bills	70.0	70.0	70.0	70.0	70.0
Central Bank of Belize	31.7	7.9	38.0	13.7	5.6
Commercial banks	37.8	61.9	32.0	55.1	63.1
Other 1/	0.5	0.2	0.0	1.2	1.3
Treasury notes at commercial banks	2.8	0.8	17.8	23.3	23.3

Source: Central Bank of Belize.

1/ Includes Caribbean Development Bank.

Table 27. Belize: Sectoral Distribution of Credit to the Private Sector

	1996	1997	1998	1999	2000
(In millions of Belize dollars)					
<b>By source</b>	<b>621.6</b>	<b>705.2</b>	<b>792.5</b>	<b>838.0</b>	<b>962.7</b>
Commercial banks 1/	480.9	547.3	625.6	654.5	693.7
Development Finance Corporation	53.8	60.8	66.0	68.0	121.9
Credit unions	86.9	97.1	100.9	115.5	147.1
<b>By destination</b>	<b>621.6</b>	<b>705.2</b>	<b>792.5</b>	<b>838.0</b>	<b>962.7</b>
<b>Primary sectors</b>	<b>85.9</b>	<b>97.7</b>	<b>94.9</b>	<b>82.3</b>	<b>86.2</b>
Agriculture	78.7	87.6	81.1	68.3	73.7
Sugar	20.8	21.5	20.2	19.1	16.0
Citrus	27.0	37.2	36.6	24.0	31.3
Bananas	15.1	13.5	10.3	13.6	14.0
Rice	9.5	2.5	2.5	2.0	1.5
Other agriculture	6.3	12.9	11.5	9.6	10.9
Other primary	7.2	10.1	13.8	14.0	12.5
<b>Secondary sectors</b>	<b>169.9</b>	<b>182.1</b>	<b>188.4</b>	<b>200.6</b>	<b>223.9</b>
Manufacturing	42.4	45.9	41.3	50.0	45.2
Construction	127.5	136.2	147.1	150.6	178.7
<b>Services</b>	<b>183.5</b>	<b>207.6</b>	<b>254.4</b>	<b>262.2</b>	<b>307.6</b>
Transportation	12.8	16.1	19.6	29.9	32.0
Tourism	23.0	25.4	38.3	42.3	32.0
Trade and commerce	103.3	103.5	119.5	117.3	132.2
Other services	44.4	62.5	77.0	72.7	111.4
Personal 2/	182.4	217.9	254.8	292.9	345.0
(In percent of total)					
<b>By source</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Commercial banks 1/	77.4	77.6	78.9	78.1	72.1
Development Finance Corporation	8.7	8.6	8.3	8.1	12.7
Credit unions	14.0	13.8	12.7	13.8	15.3
<b>By destination</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Primary sectors</b>	<b>13.8</b>	<b>13.8</b>	<b>12.0</b>	<b>9.8</b>	<b>9.0</b>
Agriculture	12.7	12.4	10.2	8.2	7.7
Sugar	3.3	3.0	2.5	2.3	1.7
Citrus	4.3	5.3	4.6	2.9	3.3
Bananas	2.4	1.9	1.3	1.6	1.5
Rice	1.5	0.4	0.3	0.2	0.2
Other agriculture	1.0	1.8	1.5	1.1	1.1
Other primary	1.2	1.4	1.7	1.7	1.3
<b>Secondary sectors</b>	<b>27.3</b>	<b>25.8</b>	<b>23.8</b>	<b>23.9</b>	<b>23.3</b>
Manufacturing	6.8	6.5	5.2	6.0	4.7
Construction	20.5	19.3	18.6	18.0	18.6
<b>Services</b>	<b>29.5</b>	<b>29.4</b>	<b>32.1</b>	<b>31.3</b>	<b>32.0</b>
Transportation	2.1	2.3	2.5	3.6	3.3
Tourism	3.7	3.6	4.8	5.0	3.3
Trade and commerce	16.6	14.7	15.1	14.0	13.7
Other services	7.1	8.9	9.7	8.7	11.6
Personal 2/	29.3	30.9	32.2	35.0	35.8

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 28. Belize: Commercial Banks' Liquidity Position

	1996	1997	1998	1999	2000
(In percent of average deposit liabilities)					
<b>Minimum liquid assets requirement</b>	<b>26.0</b>	<b>26.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>
Reserve requirement 1/	7.0	7.0	5.0	5.0	5.0
Other liquid assets requirement 2/	19.0	19.0	19.0	19.0	19.0
<b>Actual liquid assets</b>	<b>28.0</b>	<b>28.0</b>	<b>28.1</b>	<b>32.0</b>	<b>38.6</b>
Reserves at central bank 1/	7.3	7.2	6.0	5.3	7.9
Other liquid assets 2/	20.7	20.8	22.1	26.7	30.7
<i>Of which</i>					
Foreign assets	11.3	10.0	9.3	10.8	14.0
Treasury bills	6.0	7.9	6.9	6.8	7.2
Excess liquidity	2.0	2.0	4.1	8.0	14.6
(In millions of Belize dollars)					
<b>Memorandum items:</b>					
Average deposit liabilities	607.3	773.7	722.0	791.6	903.3
Total deposits (end of period)	607.9	675.0	742.5	795.8	931.1
<i>Of which</i>					
Central government	4.0	4.9	9.0	4.5	16.0
Social Security Board	23.8	22.0	31.7	17.1	8.3
Total loans and advances	485.6	552.1	633.7	666.0	710.0
Credit/deposit ratio	79.9	81.8	85.3	83.7	76.3

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 29. Belize: Balance of Payments

	1996	1997	1998	1999	2000
(In millions of U.S. dollars)					
<b>Current account balance</b>	<b>-6.8</b>	<b>-22.7</b>	<b>-41.4</b>	<b>-67.2</b>	<b>-131.9</b>
<b>Trade balance</b>	<b>-86.2</b>	<b>-112.7</b>	<b>-132.6</b>	<b>-165.5</b>	<b>-240.4</b>
Exports, f.o.b.	171.5	200.0	194.4	213.2	212.2
Imports, c.i.f.	-257.7	-312.7	-327.0	-378.7	-452.6
<b>Services</b>	<b>74.3</b>	<b>81.0</b>	<b>84.4</b>	<b>94.6</b>	<b>101.7</b>
Tourism	57.4	72.8	78.0	85.6	91.9
Embassy and military	9.2	9.4	13.7	13.0	13.9
Other	7.7	-1.3	-7.3	-4.0	-4.1
<b>Income</b>	<b>-23.8</b>	<b>-23.3</b>	<b>-29.1</b>	<b>-45.3</b>	<b>-57.6</b>
Interest on public debt	-8.1	-10.3	-13.2	-14.5	-18.4
Interest on mortgage and other securitization	0.0	0.0	0.0	-2.2	-9.5
Investment income from mortgage sinking funds	0.0	0.0	0.0	0.5	2.6
Other	-15.7	-13.0	-15.9	-29.1	-32.3
<b>Transfers</b>	<b>28.9</b>	<b>32.3</b>	<b>35.9</b>	<b>49.0</b>	<b>64.4</b>
Private (net)	18.9	23.5	27.4	38.7	55.0
Official (net)	10.0	8.8	8.5	10.3	9.4
<b>Capital account balance</b>	<b>28.0</b>	<b>22.3</b>	<b>28.1</b>	<b>94.9</b>	<b>182.5</b>
<b>Public sector</b>	<b>32.7</b>	<b>29.6</b>	<b>15.8</b>	<b>67.7</b>	<b>211.1</b>
Disbursements	54.0	48.1	35.7	36.5	193.7
Amortization	-21.6	-20.6	-19.9	-21.7	-21.8
Privatization proceeds	0.0	0.0	0.0	18.8	0.0
Securitization and other	0.3	2.1	0.0	34.1	39.2
<b>Private capital 1/</b>	<b>-4.7</b>	<b>-7.3</b>	<b>12.3</b>	<b>27.2</b>	<b>-28.6</b>
Commercial banks	-5.9	7.5	5.1	-7.0	-7.6
Other	1.2	-14.7	7.3	34.2	-21.0
Direct investment and portfolio	14.5	8.0	13.5	20.0	6.9
Other private 1/	-13.3	-22.8	-6.2	14.1	-27.9
<b>Overall balance</b>	<b>21.2</b>	<b>-0.4</b>	<b>-13.3</b>	<b>27.7</b>	<b>50.6</b>
(In percent of GDP)					
<b>Current account balance</b>	<b>-1.1</b>	<b>-3.5</b>	<b>-6.2</b>	<b>-9.0</b>	<b>-16.1</b>
Trade balance	-13.7	-17.4	-19.8	-22.3	-29.3
<b>Capital account</b>	<b>4.4</b>	<b>3.4</b>	<b>4.2</b>	<b>12.8</b>	<b>22.2</b>
Public sector	5.2	4.6	2.4	9.1	25.7
Private sector 1/	-0.8	-1.1	1.8	3.7	-3.5
<b>Overall balance</b>	<b>3.4</b>	<b>-0.1</b>	<b>-2.0</b>	<b>3.7</b>	<b>6.2</b>
Public external debt (end of period)	34.9	37.2	38.6	48.3	67.4
(Annual Percentage Change)					
Export volume	9.7	10.6	-6.4	23.2	9.1
Import volume	-0.9	24.9	8.8	13.1	17.0
Terms of trade	2.2	-5.9	8.5	-12.5	-10.7
Public debt service ratio 2/	9.6	9.1	9.8	9.6	10.5
Gross official reserves 3/	1.5	1.5	1.0	1.5	2.5

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/ Imports of goods and nonfactor services over the next 12 months.

Table 30. Belize: Detailed Balance of Payments  
(In millions of U.S. dollars)

	1997			1998			1999			2000		
	Credit	Debit	Net									
<b>Current account</b>	<b>388.4</b>	<b>411.1</b>	<b>-22.7</b>	<b>387.0</b>	<b>428.5</b>	<b>-41.6</b>	<b>432.1</b>	<b>499.3</b>	<b>-67.2</b>	<b>457.9</b>	<b>589.8</b>	<b>-131.9</b>
Trade balance	200.0	312.7	-112.7	194.4	327.0	-132.6	213.2	378.7	-165.5	212.2	452.6	-240.4
Exports, f.o.b.	200.0	0.0	200.0	194.4	0.0	194.4	213.2	0.0	213.2	212.2	0.0	212.2
Domestic exports	159.1	0.0	159.1	155.3	0.0	155.3	171.8	0.0	171.8	170.8	0.0	170.8
Reexports	40.7	0.0	40.7	39.0	0.0	39.0	41.4	0.0	41.4	41.4	0.0	41.4
Imports, c.i.f.	0.0	312.7	-312.7	0.0	327.0	-327.0	0.0	378.7	-378.7	0.0	452.6	-452.6
Services	148.6	91.0	57.6	150.7	95.6	55.1	166.5	117.2	49.3	178.1	134.0	44.1
Nonfactor services	141.1	60.2	81.0	143.5	59.3	84.3	161.6	70.8	96.4	172.4	75.1	97.3
Travel	96.5	23.7	72.8	99.1	21.2	77.9	111.4	25.8	85.6	122.0	30.0	92.0
Transportation	5.7	4.5	1.1	5.8	3.6	2.3	8.5	3.1	5.4	11.3	3.8	7.5
Other government services	13.6	4.2	9.4	18.9	5.2	13.7	21.1	8.1	13.0	20.2	6.3	13.9
Other private services	25.3	27.7	-2.4	19.7	29.3	-9.6	20.6	33.8	-7.6	18.9	35.0	-16.1
Factor services	7.5	30.8	-23.3	7.2	36.3	-29.1	4.9	46.4	-41.5	5.7	58.9	-53.2
Investment income	2.5	24.1	-21.5	2.7	30.2	-27.5	2.7	40.0	-37.3	4.8	52.1	-47.3
Other factor services	4.9	6.8	-1.8	4.4	6.1	-1.7	2.2	6.4	-4.2	0.9	6.8	-5.9
Transfers	39.8	7.5	32.3	41.8	5.9	35.9	52.4	3.4	49.0	67.6	3.2	64.4
Private transfers	27.8	4.3	23.5	31.2	3.7	27.4	40.6	1.9	38.7	56.6	1.6	55.0
Official transfers	12.0	3.2	8.8	10.6	2.2	8.5	11.8	1.5	10.3	11.0	1.6	9.4
<b>Capital account</b>	<b>90.2</b>	<b>50.9</b>	<b>39.3</b>	<b>80.6</b>	<b>64.6</b>	<b>16.0</b>	<b>158.0</b>	<b>64.4</b>	<b>93.6</b>	<b>290.9</b>	<b>105.0</b>	<b>185.9</b>
Public sector	50.2	20.6	29.6	35.7	19.9	15.8	100.7	33.0	67.7	250.5	39.4	211.1
Official borrowing	48.1	20.6	27.5	35.7	19.9	15.8	36.5	21.7	14.8	193.7	21.8	171.9
Other official capital flows	2.1	0.0	2.1	0.0	0.0	0.0	64.2	11.3	52.9	56.8	17.6	39.2
Private capital	40.0	30.3	9.7	44.9	44.7	0.2	57.3	31.4	25.9	40.4	65.6	-25.2
Direct investment	11.9	3.9	8.0	19.0	4.5	13.5	30.0	10.0	20.0	23.8	9.9	13.9
Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks	7.5	0.0	7.5	7.2	2.1	5.1	0.0	7.0	-7.0	0.0	7.6	-7.6
Other private capital	20.6	26.4	-5.8	18.8	37.1	-18.3	27.3	14.4	12.9	16.6	48.1	-31.5
Errors and omissions			-17.0			12.2			1.3			-3.4
<b>Overall balance</b>			<b>-0.4</b>			<b>-13.3</b>			<b>27.7</b>			<b>50.6</b>
Change in net official reserves			0.4			13.3			-27.7			-50.6

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

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

	1996	1997	1998	1999	2000
<b>Total exports (value)</b>	<b>171.5</b>	<b>200.0</b>	<b>194.4</b>	<b>213.2</b>	<b>212.2</b>
Total domestic exports (value)	157.2	159.1	155.3	171.6	170.5
Main exports (value)	144.7	149.9	145.1	158.3	155.4
Other exports (value)	12.7	9.2	10.2	11.3	15.1
Reexports, f.o.b.	14.1	40.7	39.0	41.4	41.4
Coverage adjustments 2/	0.0	0.2	0.2	0.2	0.2
<b>Sugar</b>					
Value	47.1	46.0	44.5	43.3	37.1
Volume ('000 long tons)	94.8	110.7	104.3	117.8	107.6
Unit value (U.S. cents/lb.)	22.2	18.5	19.0	16.0	15.0
<b>Molasses</b>					
Value	5.5	3.3	1.1	0.2	0.1
Volume (million gallons)	9.6	7.5	7.2	5.6	5.1
Unit value (U.S. cents/gallon)	57.5	44.3	15.3	3.9	2.6
<b>Seafood products</b>					
Value	12.2	17.5	21.8	27.8	33.3
Volume (million pounds)	2.5	3.2	4.3	5.7	6.2
Unit value (U.S. dollars/pound)	4.9	5.5	5.1	4.9	4.7
<b>Banana</b>					
Value	28.7	26.1	24.7	28.4	32.9
Volume (million boxes of 42 lbs.)	3.0	2.8	2.7	2.7	3.1
Unit value (U.S. cents/lb.)	23.1	22.2	22.0	21.0	21.2
<b>Citrus concentrates 3/</b>					
Value	29.6	24.1	21.6	27.4	25.0
Volume (million gallons)	3.4	3.6	3.3	3.7	5.6
Unit value (U.S. dollars/gallon)	8.7	6.7	6.5	7.9	8.5
<b>Single strength juices 3/</b>					
Value	2.4	11.8	9.0	9.5	4.7
Volume (million gallons)	0.8	5.4	4.1	4.3	5.0
Unit value (U.S. dollars/gallon)	3.1	2.2	2.2	2.2	2.4
<b>Sawn wood</b>					
Value	1.4	2.6	2.7	2.1	2.4
Volume (million board feet)	1.6	3.2	3.1	2.1	2.4
Unit value (U.S. cents/bd. foot)	87.6	82.6	86.6	101.0	98.1
<b>Garments</b>					
Value	17.8	18.5	19.7	19.6	19.9
Volume ('000 dozens)	165.8	164.0	172.0	196.7	219.0
Unit value (U.S. dollars/doz.)	107.5	112.8	114.5	99.6	90.9
<b>Memorandum items:</b>					
Total exports (percent change)	4.3	16.7	-2.8	9.6	-0.4
Total exports (percent of GDP)	27.2	30.8	29.1	28.3	25.8

Sources: Central Statistical Office; and Fund staff estimates.

1/ Domestic exports defined as total exports minus re-exports.

2/ Exports through parcel post.

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

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

	1996	1997	1998	1999	2000
(In thousands of U.S. dollars)					
<b>Total domestic exports, f.o.b.</b>	<b>157.2</b>	<b>159.1</b>	<b>155.3</b>	<b>171.6</b>	<b>170.5</b>
Food	132.9	136.0	129.5	146.8	147.3
Crude material	3.0	2.9	3.1	2.6	2.7
Chemicals	1.5	0.6	0.3	0.1	0.2
Manufactured goods	0.9	0.8	0.6	0.3	0.3
Machinery and equipment	0.0	0.0	0.0	0.2	0.3
Miscellaneous manufactures	18.9	18.7	21.8	20.6	19.7
(In percent of total exports)					
<b>Total domestic exports, f.o.b.</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Food	84.5	85.5	83.4	85.5	86.4
Crude material	1.9	1.8	2.0	1.5	1.6
Chemicals	1.0	0.4	0.2	0.1	0.1
Manufactured goods	0.6	0.5	0.4	0.2	0.2
Machinery and equipment	0.0	0.0	0.0	0.1	0.2
Miscellaneous manufactures	12.0	11.8	14.0	12.0	11.6
<b>Memorandum item:</b>					
Domestic exports as percent of GDP	24.9	24.5	23.2	23.1	20.8

Sources: Central Statistical Office; and Fund staff estimates.

1/ Domestic exports defined as total exports minus re-exports.

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

	1996	1997	1998	1999	2000
(In millions of U.S. dollars)					
<b>Gross imports, c.i.f. 1/</b>	<b>257.7</b>	<b>312.7</b>	<b>327.0</b>	<b>378.7</b>	<b>452.6</b>
Temporary imports 2/	14.1	59.7	55.8	53.9	63.7
<b>Retained imports, c.i.f. 1/</b>	<b>243.6</b>	<b>253.0</b>	<b>271.3</b>	<b>324.8</b>	<b>388.9</b>
Food	44.3	44.3	47.9	48.6	52.9
Beverages and tobacco	2.4	2.2	2.2	3.9	2.8
Crude material	1.2	1.4	1.9	2.6	3.8
Mineral fuel	21.2	21.0	15.2	28.3	32.4
Oils and fats	2.0	1.9	1.7	1.9	1.9
Chemicals	30.3	30.7	30.5	32.7	44.3
Manufactured goods	47.4	51.7	54.9	56.3	77.3
Machinery	62.1	68.2	69.7	98.1	121.5
Miscellaneous manufactures	32.0	30.7	36.0	40.4	41.8
Miscellaneous	0.7	0.8	11.3	12.0	10.2
(In percent of total retained imports)					
<b>Retained imports, c.i.f. 1/</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Food	18.2	17.5	17.7	15.0	13.6
Beverages and tobacco	1.0	0.9	0.8	1.2	0.7
Crude material	0.5	0.5	0.7	0.8	1.0
Mineral fuel	8.7	8.3	5.6	8.7	8.3
Oils and fats	0.8	0.8	0.6	0.6	0.5
Chemicals	12.4	12.1	11.2	10.1	11.4
Manufactured goods	19.5	20.4	20.2	17.3	19.9
Machinery	25.5	27.0	25.7	30.2	31.2
Miscellaneous manufactures	13.1	12.1	13.3	12.4	10.7
Miscellaneous	0.3	0.3	4.2	3.7	2.6
<b>Memorandum items:</b>					
Retained imports					
Percentage change	0.0	3.9	7.2	19.7	19.6
In percent of GDP	38.6	39.0	40.6	43.7	47.3
Gross imports					
Percentage change	-2.7	21.4	4.6	15.8	19.5
In percent of GDP	40.8	48.2	48.9	51.0	55.2

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

1/ Includes imports through parcel post.

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

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)

	1996	1997	1998	1999	2000
<b>Total sugar exports</b>					
Value	47.1	46.0	44.5	43.3	37.1
Volume	94.8	110.7	104.3	117.8	107.6
Unit Value (U.S. cents/lb.)	22.2	18.5	19.0	16.0	15.0
<b>United States</b>					
Value	10.7	11.4	7.2	5.5	4.1
Volume	23.2	29.1	15.9	13.7	11.0
Unit Value (U.S. cents/lb.)	20.6	17.4	20.2	20.3	17.0
<b>European Union</b>					
Value	31.0	27.1	28.7	29.2	25.8
Volume	50.3	51.5	54.6	57.4	54.9
Unit Value (U.S. cents/lb.)	27.5	23.5	23.5	22.7	21.0
<b>Free market</b>					
Value	5.4	7.5	8.6	8.6	7.2
Volume	21.3	30.0	33.8	46.7	41.7
Unit Value (U.S. cents/lb.)	11.3	11.1	11.3	8.4	7.9
<b>Memorandum item:</b>					
Share of sugar exports in domestic exports (in percent)	30.0	28.9	28.6	25.2	21.7

Sources: Central Statistical Office; and Fund staff estimates.

Table 35. Belize: Visitor Arrivals 1/

	1996	1997	1998	1999	2000
<b>Total arrivals</b>	<b>344,025</b>	<b>374,413</b>	<b>277,006</b>	<b>387,491</b>	<b>428,399</b>
<i>Of which</i>					
Tourists	108,189	112,191	119,400	167,033	180,760
<b>Origin</b>					
United States	97,953	101,977	110,404	142,383	167,848
Continental Europe	19,895	32,119	25,795	32,493	36,363
Canada	10,609	13,113	11,657	12,657	15,026
United Kingdom	8,651	11,069	11,223	11,864	23,169
Central America	135,534	145,020	76,260	97,822	105,811
Other	71,383	71,115	41,667	90,222	80,182
<b>Arrivals</b>					
By air	95,295	95,337	106,482	153,414	171,435
By land	238,409	273,626	144,486	185,334	191,595
By sea	10,321	5,450	26,038	47,743	65,369
Tourism receipts (US\$ million)	83.6	96.5	99.1	114.4	122.0
	(Annual percentage change)				
<b>Total arrivals</b>	<b>-1.6</b>	<b>8.8</b>	<b>-26.0</b>	<b>39.9</b>	<b>10.6</b>
<i>Of which</i>					
Tourists	3.5	3.7	6.4	39.9	8.2
Tourism receipts	7.7	15.4	2.7	15.4	6.6

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

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

Table 36. Belize: Direction of Trade

	1996	1997	1998	1999	2000
(In millions of U.S. dollars)					
<b>Domestic exports, f.o.b. 1/</b>	<b>157.2</b>	<b>159.1</b>	<b>155.3</b>	<b>171.6</b>	<b>170.5</b>
United States 2/	65.9	71.8	64.2	70.5	89.3
United Kingdom	65.9	52.8	50.6	55.3	48.0
Other European Union 3/	8.5	17.3	18.1	23.3	3.8
Canada	4.1	1.5	1.1	3.2	2.9
Mexico	5.5	0.3	0.9	1.0	1.4
CARICOM	4.4	7.3	11.4	9.8	9.0
Other	2.9	8.1	9.1	7.5	16.1
<b>Total imports, c.i.f.</b>	<b>257.7</b>	<b>312.7</b>	<b>327.0</b>	<b>378.7</b>	<b>452.3</b>
United States	141.5	161.0	159.4	192.7	221.7
United Kingdom	11.9	16.7	13.9	15.6	11.6
Other European Union	8.6	12.1	15.7	13.7	39.9
Canada	4.0	39.6	34.8	5.4	9.5
Mexico	31.5	13.6	15.1	45.9	47.9
CARICOM	10.8	12.1	10.7	13.1	14.1
Other	49.3	57.7	77.4	92.3	107.6
(In percent of total)					
<b>Domestic exports, f.o.b. 1/</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
United States	41.9	45.1	41.3	41.1	52.4
United Kingdom	41.9	33.2	32.6	32.2	28.2
Other European Union	5.4	10.9	11.6	13.6	2.2
Canada	2.6	1.0	0.7	1.9	1.7
Mexico	3.5	0.2	0.6	0.6	0.8
CARICOM	2.8	4.6	7.3	5.7	5.3
Other	1.9	5.1	5.8	4.4	9.4
<b>Total imports, c.i.f.</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
United States	54.9	51.5	48.7	50.9	49.0
United Kingdom	4.6	5.3	4.2	4.1	2.6
Other European Union	3.3	3.9	4.8	3.6	8.8
Canada	1.6	12.7	10.7	1.4	2.1
Mexico	12.2	4.3	4.6	12.1	10.6
CARICOM	4.2	3.9	3.3	3.5	3.1
Other	19.1	18.5	23.7	24.4	23.8

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

1/ Domestic exports defined as total exports minus re-exports.

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: Terms of Trade

	1996	1997	1998	1999	2000
	(1998 = 100)				
Exports					
Value	101.4	102.5	100.0	110.5	110.1
Volume	96.6	106.8	100.0	123.2	134.5
Export unit value 1/	104.9	95.9	100.0	89.6	81.8
Imports					
Value	78.8	95.6	100.0	115.8	138.4
Volume	73.6	91.9	100.0	113.1	132.3
Unit value 2/	107.1	104.1	100.0	102.4	104.7
Terms of trade 3/	98.0	92.2	100.0	87.5	78.2
	(Percentage change)				
Exports					
Value	10.0	1.1	-2.4	10.5	-0.4
Volume	9.7	10.6	-6.4	23.2	9.2
Unit value	0.4	-8.6	4.2	-10.4	-8.8
Imports					
Value	-2.7	21.4	4.6	15.8	19.5
Volume	-0.9	24.9	8.8	13.1	17.0
Unit value	-1.8	-2.8	-3.9	2.4	2.2
Terms of trade	2.2	-5.9	8.5	-12.5	-10.7

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

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

2/ Import prices were calculated using import deflators.

3/ Export unit value divided by import unit value.

Table 38. Belize: External Public and Publicly Guaranteed Debt

	1996	1997	1998	1999	2000
(In millions of U.S. dollars)					
<b>Debt outstanding (end-of-period) 1/</b>	219.9	241.2	258.4	359.4	552.7
Central government	171.2	172.3	178.5	201.3	317.9
Rest of the public sector	17.7	36.1	43.8	42.5	17.6
Financial public sector	31.0	32.8	36.1	39.1	85.8
Publicly guaranteed 2/	0.0	0.0	0.0	76.5	131.4
<b>Transactions during the period</b>					
Disbursements	57.9	48.0	39.5	43.0	193.6
Debt service 3/	29.7	30.5	33.5	33.6	40.2
Amortization	21.6	20.3	20.3	19.2	21.8
Interest	8.1	10.2	13.2	14.4	18.4
(In percent of GDP)					
External debt 1/	34.9	37.2	38.6	48.4	67.4
Debt service 3/	4.7	4.7	5.0	4.5	4.9
Amortization	3.4	3.1	3.0	2.6	2.7
Interest	1.3	1.6	2.0	1.9	2.2
(In percent of export of goods and nonfactor services)					
External debt 1/	71.1	70.7	76.4	95.9	143.7
Debt service 3/	9.6	9.1	9.8	9.6	10.5
Amortization	7.0	6.0	5.9	5.8	5.7
Interest	2.6	3.0	3.9	3.9	4.8

Source: Central Bank of Belize.

1/ Comprises public debt and publicly guaranteed debt, and includes valuation adjustments for changes in the stock of debt resulting from changes in the exchange rates.

2/ Comprises securitization proceeds and publicly guaranteed debt of privatized state enterprises.

3/ Service on public debt.

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

	1996	1997	1998	1999	2000
(In millions of U.S. dollars)					
<b>Amount outstanding (end-of-period)</b>	<b>219.9</b>	<b>241.2</b>	<b>258.4</b>	<b>359.4</b>	<b>552.7</b>
<b>Public debt by creditor</b>	<b>219.9</b>	<b>241.2</b>	<b>258.4</b>	<b>282.9</b>	<b>421.3</b>
Official	176.6	190.2	203.0	225.7	208.7
Caribbean Development Bank	36.4	44.8	56.4	63.7	53.6
Inter-American Development Bank	0.0	0.4	1.1	4.9	13.5
European Union	13.1	14.2	16.3	14.3	9.9
World Bank	33.3	39.9	40.9	40.8	27.0
United Kingdom Government	22.5	19.6	17.4	17.1	13.4
United States Government	23.4	22.0	20.6	19.1	17.4
Commonwealth Development Corporation	0.5	0.2	0.0	0.0	0.0
Venezuela (FIVEN and FINEXPO)	3.6	3.0	3.5	2.0	1.5
OPEC	1.2	1.5	1.9	1.8	1.7
China	0.4	0.3	0.2	0.2	0.2
International Fund for Agricultural Development	1.2	1.0	0.9	1.0	1.0
Government of Spain	2.5	1.9	1.6	1.1	0.7
Government of Taiwan (POC)	36.6	35.1	35.4	52.0	61.4
Government of Kuwait	1.9	6.3	6.8	7.7	7.4
Other	43.3	51.0	55.4	57.2	212.6
Banks	23.7	37.3	47.4	49.4	190.1
Suppliers	19.6	13.7	8.0	7.8	22.5
<b>Publicly guaranteed debt 3/</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>76.5</b>	<b>131.4</b>
<b>Public debt by debtor</b>	<b>219.9</b>	<b>241.2</b>	<b>258.4</b>	<b>282.9</b>	<b>421.3</b>
Nonfinancial public sector	188.9	208.4	222.3	243.8	335.5
Central government	171.2	172.3	178.5	201.3	317.9
Rest of nonfinancial public sector	17.7	36.1	43.8	42.5	17.6
Belize Electricity Board 2/	10.1	22.6	30.7	31.7	0.0
Port Authority	3.4	4.2	4.2	3.7	3.2
Other	4.2	9.3	8.9	8.3	14.5
Financial Public Sector	31.0	32.8	36.1	39.1	85.8
<b>Publicly guaranteed debt 3/</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>76.5</b>	<b>131.4</b>
(In percent of total)					
<b>By creditor 4/</b>					
Official	80.3	78.9	78.5	79.8	49.5
Other	19.7	21.1	21.5	20.2	50.5
<b>By debtor 4/</b>					
Nonfinancial public sector	85.9	86.4	86.0	86.0	79.6
Central government	77.9	71.4	69.1	70.6	75.4
Rest of nonfinancial public sector	8.0	15.0	17.0	15.3	4.2
Financial public sector	14.1	13.6	14.0	14.0	20.4

Source: Central Bank of Belize.

1/ Includes public and publicly guaranteed external debt.

2/ Belize Electricity Board now Belize Electricity Limited was privatized in October 1999.

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

4/ Distribution of public debt only.

Table 40. Belize: Indices of Effective Exchange Rate 1/  
(Indices 1990 = 100)

	Nominal effective exchange rate	Real effective exchange rate 2/
<b>Quarterly averages</b>		
<b>1996</b>		
I	124.6	98.2
II	125.6	100.9
III	125.2	101.6
IV	125.5	101.5
<b>1997</b>		
I	129.0	103.5
II	130.0	103.4
III	132.2	104.2
IV	132.6	103.9
<b>1998</b>		
I	135.1	105.2
II	135.3	104.2
III	136.1	103.9
IV	132.3	100.4
<b>1999</b>		
I	134.6	101.6
II	136.8	101.8
III	136.5	100.6
IV	135.8	99.5
<b>2000</b>		
I	137.4	100.2
II	140.3	101.9
III	142.2	103.0
IV	144.8	104.3
<b>2001</b>		
I	143.7	102.8
<b>Annual averages</b>		
1995	121.4	95.5
1996	125.2	100.6
1997	130.9	103.7
1998	134.7	103.4
1999	135.9	100.9
2000	141.2	102.4

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.

**SUMMARY OF TAX SYSTEM, BELIZE**

(April 1, 2001)

Type of Tax	Nature of Tax	Rate	Exemptions and Deductions
<b>1. Tax on profits and transactions</b>			
a. Income tax	Applicable to all persons on income accruing in, or derived from Belize	25 percent	Individuals earning less than BZ\$20,000
b. Business tax	Applicable to all persons, both corporate and unincorporated, on all receipts whether received in Belize or elsewhere	From trade or business 1.25 percent From professional services 4 percent Royalties 15 percent Commissions (less than BZ\$25,000 per year) 5 percent Commissions (in excess of BZ\$25,000) 15 percent Rental income 1.5 percent Radio, on-air TV and newspapers 0.75 percent Domestic airline 0.75 percent Insurance (general revenue) 1.5 percent Telecommunications 19 percent Fuel and lubricant (gas stations) 0.75 percent Financial institutions revenue 10 percent Financial institutions PIC 4 percent Tour operators and Travel agents 4 percent	In the case of trade, business, or profession, receipts of less than BZ\$54,000 per year. Rental receipts of less than BZ\$1,650 per month if this is the sole source of livelihood. Interest on savings, employment income, and charitable contributions up to BZ\$30,000 per year
c. Sales tax	Applicable on goods imported into the country, on local production of goods and on services supplied	Alcohol, tobacco, and fuel 12 percent, all other goods and services 8 percent	The supply of electricity, water, financial services, goods in transit, exports, accommodation, basic foodstuff, specified medicines, passenger transport, and sales of less than BZ\$4,000 per year or BZ\$4,500 per month

Type of Tax	Nature of Tax	Rate	Exemptions and Deductions
<b>2. Tax on international trade and transactions</b>			
a. Import duties	Import duty is applicable to all goods imported into Belize	Ad valorem and specific rates in accordance with CARICOM common external tariff, maximum rate 20 percent	
b. Revenue replacement duty	Chargeable on specified items and luxury consumer goods	2---25 percent	
c. Excise duty on spirits	Excise duty is charged on local production of spirits	BZ\$30.00 per gallon	
d. Excise duty on cigarettes	Excise duty on cigarettes manufacture	BZ\$4.00 per 100	
e. Excise duty on beer	Excise duty on beer production	BZ\$1.80 per gallon	
f. Excise duty on aerated water	Charged on soft drinks production	BZ\$0.0325 per 12ozs BZ\$0.0408 per 17ozs	
g. Social fee	Charged on goods imported into the Commercial Free Zone	10 percent on fuel 1.5 percent on all other goods	
h. Environmental tax	Charged on plastic containers and bottles (empty or full) and other packaging materials made of plastic	5 percent	Basic food items
i. Land tax	Assessed on the unimproved value of the land based on market value in that location and acreage	1 percent of market value	
j. Property tax	Based on the annual rental value of the property (urban)	12 percent	

Type of Tax	Nature of Tax	Rate	Exemptions and Deductions
k. Entertainment tax	Based on admission charges for clubs and other entertainment places	10 percent	Sports
l. Travel tax	Payable at departure from any international airport	BZ\$20.00	
m. Foreign currency transaction tax	Charged on the purchase of all foreign currency	1.25 percent of the value of the foreign currency at the official exchange rate in BZ\$ currency	Exchange of BZ\$100.00 or less is exempt
<b>3. Licenses and fees</b>			
a. Motor vehicle	To allow operation of motor vehicles both private and public based on tare and accommodation	BZ\$62.50– BZ\$312.50	Trailers used exclusively for agriculture and tractors used exclusively in connection with agriculture
b. Insurance companies	Provides for an annual license and a premium tax	BZ\$5,000 per year and 2.5 percent of gross premiums	
c. Banks	Allows for the operation of commercial banks and offshore banks	Onshore BZ\$25,000 per year Offshore A US\$20,000 Offshore B US\$17,000	
d. Liquor	For the sale of liquor in bars, hotels, and restaurants	Annual license fee of BZ\$200– BZ\$1,500	
e. Wild game	To provide a license for dealers, visiting hunters, and hobby hunters	BZ\$200 with annual renewal of BZ\$500– BZ\$1,000	
f. Marriage	License for the dispensation of a public announcement in a church	BZ\$50 for residents and BZ\$200 for non-residents	
g. Private warehouse	To accommodate bonded and goods in transit and is based on the value of the bond	3 percent of the bond to a maximum of BZ\$4,500 per year	
h. Radio, television, and cable TV	For the operation of radio stations, on air television stations, and cable television stations	Radio BZ\$1,000–2,000 per year On air TV BZ\$2,000–4000 per year Cable TV BZ\$1,000–8,000 per year	
i. Companies	For the registration of a company based on its share capital	First BZ\$10,000 -BZ\$50.00 10,000-25,000 - BZ\$25 per 5,000 Over 25,000 - BZ\$10 per 5,000	

Type of Tax	Nature of Tax	Rate	Exemptions and Deductions
j. Trademarks	For the protection of registered trademarks	BZ\$33	
k. Professionals	For the practice of law in the country	BZ\$500 per year	First year for a practicing attorney is exempt
l. Stamp duty on purchase or transfers	Based on the declared market value	5 percent for residents 10 percent for non-residents	
m. Firearms	For the holding of firearms for farming, hunting, and special protection	BZ\$5—BZ\$200 per year	
<b>4. Rents and royalties</b>			
a. Rents for national lands	The annual rental value is determined based on location	BZ\$5—BZ\$15 per acre per year	
b. Royalties of forest produce	Based on the removal of trees in the given period	BZ\$8—BZ\$20 per tree	