"*OVERCOMING THE CHALLENGES AND PURSUING THE OPPORTUNITIES*"

BUDGET PRESENTATION FOR

FISCAL YEAR 2009/2010

Hon. Dean Barrow
Prime Minister and Minister of Finance
Belmopan
Friday, 6 March, 2009

SUMMARY OF RECURRENT AND CAPITAL BUDGETS

	APPROVED ESTIMATES 2008/2009	REVISED ESTIMATES 2008/2009	PROPOSED ESTIMATES 2009/2010
TOTAL REVENUES AND GRANTS	**824,939,660**	**822,247,813**	**807,329,745**
RECURRENT REVENUE	**729,031,500**	**710,015,192**	**751,270,517**
TAX REVENUE	**636,802,000**	**629,506,640**	**670,112,037**
Income and profits	233,780,000	212,650,406	210,472,231
Taxes on property	7,016,000	7,765,440	7,706,381
Taxes on international trade and transactions	151,600,000	157,925,797	190,408,643
Taxes on goods and services	244,406,000	251,164,997	261,524,782
NON-TAX REVENUE	**92,229,500**	**80,508,552**	**81,158,480**
Property Income	12,800,000	10,340,621.00	10,734,203.00
Licenses	14,972,500	14,699,338.00	9,446,864.00
Other	64,457,000	55,468,593.00	60,977,413.00
CAPITAL REVENUES:	**8,508,024**	**7,120,451**	**5,600,000**
SALE OF CROWN LANDS	5,000,000	3,612,427	3,600,000
SALE OF EQUITY	3,508,024	3,508,024	2,000,000
GRANTS	**87,400,136**	**105,112,170**	**50,459,228**
TOTAL EXPENDITURES	**824,776,490**	**785,997,554**	**859,676,761**
RECURRENT EXPENDITURE	**649,599,163**	**646,715,207**	**689,760,217**
PERSONAL EMOLUMENTS	262,868,201	260,001,559	276,599,406
DEBT SERVICE-INTEREST & OTHER CHARGES	108,885,090	103,980,003	106,567,323
PENSIONS	39,902,214	46,000,000	43,915,975
GOODS & SERVICES	237,943,658	236,733,646	262,677,513
CAPITAL EXPENDITURES	**175,177,327**	**139,282,347**	**169,916,544**
CAPITAL II EXPENDITURES	78,664,395	68,447,661	63,379,230
CAPITAL III EXPENDITURES	93,304,932	67,628,420	100,078,228
CAPITAL TRANSFER & NET LENDING	3,208,000	3,206,266	6,459,086
RECURRENT SURPLUS/[DEFICIT]	**79,432,337**	**63,299,985**	**61,510,300**
PRIMARY SURPLUS/[DEFICIT]	**109,048,260**	**140,230,262**	**54,220,307**
OVERALL SURPLUS/[DEFICIT]	***163,170***	***36,250,259***	***(52,347,016)***
AMORTIZATION	(63,902,871)	(69,596,589)	(70,774,909)
FINANCING	**(63,739,701)**	**(33,346,330)**	**(123,121,925)**
FOREIGN LOAN DISBURSEMENTS (PROJECTS)	48,904,796	32,116,315	57,619,000
FOREIGN LOAN DISBURSEMENTS (GENERAL)	7,000,000	-	65,500,000
DOMESTIC BORROWING	7,834,905	1,230,015	2,925
GDP (in millions of Bz $)	***2,558***	***2,860***	***3,035***
OVERALL SURPLUS/DEFICIT (+/-) AS A % OF GDP	**0.01%**	**1.27%**	**-1.72%**
PRIMARY SURPLUS/DEFICIT (+/-) AS A % OF GDP	**4.26%**	**4.90%**	**1.79%**

OUTLINE OF BUDGET SPEECH FOR FISCAL YEAR 2009/2010

"OVERCOMING THE CHALLENGES AND PURSUING THE OPPORTUNITIES"

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INTRODUCTION

Mr. Speaker,

I rise to move the first reading of the General Appropriation Bill for Fiscal Year 2009/2010. This is, of course, the second budget to be presented to this House under the current administration. Now, Mr. Speaker, you, the House and the Nation well know the scale of the problems that we faced upon taking office last year and upon presenting our first Budget. But we took our time; we analyzed the situation carefully; we consulted and we included. And in the end we were able to offer Belizeans a Budget that was both realistic and progressive. We recognized the constraints but refused to be overcome by them. Our education subsidies; our assistance to the poor; our tax breaks on medicines and medical services; our great leap forward on infrastructure rehabilitation; all these were things that, as the record will show, we succeeded handsomely in doing. The shackles of the PUP legacy and world circumstances could not restrain us. We became Prometheus unbound; and all of us on this side of the House will remain immeasurably proud of our first year in office.

There is also proof that the benefits of the change in the stewardship of the Belizean economy are as well recognized abroad as at home. Last December the rating agency, Standard and Poors, affirmed its “B” long- and short-term sovereign credit ratings on Belize with an outlook that remained stable. More recently, in February, Moody’s Investors Service upgraded Belize’s ratings to “B3” from “Caa1” in recognition of, among other things, the ‘***adherence to responsible fiscal policies***’ and ‘……***improvement in governance given the new government’s focus on enhanced transparency***’. There are those that have now formally leagued themselves and their television station with the Opposition: the same Opposition that when it was the government was their quisling and cat’s paw. They have done this because our defense of the national interest has curbed their exploitation and cut them down to size. So they use their power, wealth and global influence to bad mouth us. But their credibility with the professionals on the international circuit, is as non-existent as with the salt of the earth Belizean people. Thus, despite their nay-saying, there is renewed international optimism and confidence in Belize, manifested in the re-engagement with the multilateral development institutions. This has resulted in a full resumption of lending and other technical assistance support to our country; and, for the first time in almost a decade, we have the World Bank back in Belize and committed again to participate in our development process. The Inter-American Development Bank has also appreciably stepped up its country assistance program with us; and the Caribbean Development Bank has responded quickly to our needs following the flooding events. As well, CDB is leading the way in providing seed money for the access to credit that this government will make available to students, fledgling entrepreneurs and small farmers.

FRAMEWORK FOR THE BUDGET

So far so good, then, Mr. Speaker. But I must confess that the Budget for the upcoming Fiscal Year was prepared against the background of shocks to the Belizean economy that made the challenges even more severe for 09-10 than for 08-09. These difficulties arose from three major sources:

1) The two natural disasters of 2008,
2) A rapid slump in the world price of petroleum, and
3) The economic and financial meltdown in industrial countries.

The dislocations caused by the natural disasters were driven by precipitous rainfall and flooding by Tropical Storm Arthur in southern Belize in May/June, and by Tropical Depression Number 16 in the western, central and northern Belize in October/November. These two weather systems destroyed human life, agricultural crops and livestock, housing, bridges and road infrastructure. Damages were estimated at $132.0 million.

The oil-price shock arose from the sharp fall in the world price of crude oil from a peak of over US$140.00 per barrel in July to about US$35.00 per barrel at year’s end. This dramatic decrease benefited Belizeans handsomely by way of the lowest pump prices for fuel and the lowest butane prices in a decade. But the Government’s revenue also fell markedly, especially owing to lower receipts from the shift, in fulfillment of our manifesto promise, to the rock bottom flat tax on imported fuel. As well, the business tax and royalties on domestically produced petroleum fell in line with the low export prices. Collections from our much vaunted windfall surcharge never materialized, but sic transit gloria……

As all the world also knows, an economic and financial depression that is without precedent is now very much manifesting itself in the industrialized countries. This, of course, negatively affects Belize's exports of goods and services. Particularly hard hit is the foreign direct investment in condominium and time-share apartments in northern San Pedro and in the Placencia Peninsula; and all this has dire consequential effects on the resources of both the public and private sectors.

In setting the stage for this Budget, I have perforce had to sketch the circumstances that have combined to put such pressure on us now. Difficult decisions have confronted us and hard choices have had to be made. But let me say right at the start that we will bring the Belizean nation out of this global crisis with minimum discomfort. Our commitment to work tirelessly in this regard, is unflagging. And our confidence in our ability to still create jobs, to make the public sector investments that will buoy the economy, is unshaken. We also know that throughout it all we will remain true to our trust. We will run a government that is transparently and translucently for and on behalf of the collective well being of the people of Belize.

RECENT ECONOMIC DEVELOPMENTS

INTERNATIONAL ECONOMIC DEVELOPMENTS

Continued emphasis on the development of bio-fuels as an alternative energy source and rising fuel costs caused the high global food prices that characterized 2007 to persist into 2008. Concurrently, geo-political tensions, limited refining capacity and crude oil speculators underpinned escalating crude oil prices that peaked at over US$140 per barrel (West Texas Intermediate) in July. While countries grappled with inflationary pressures and the slowdown in economic activities resulting from the cost squeeze on corporate profits, turmoil rocked global financial markets in the latter half of the year. The tight credit crunch and financial crisis was precipitated by significant losses suffered by large, global institutional investors from non-performing securities backed by U.S. sub-prime mortgages. Notwithstanding various governments' efforts to inject liquidity into their banking systems to free up credit and restore consumer confidence, some of the major developed countries, such as the U.S., Europe and Japan, sank further into a recession while job losses mounted. The most recent information from the IMF's World Economic Outlook suggests that growth of the world economy weakened from the 5.2% experienced in 2007 to an estimated 3.4% in 2008. Notwithstanding the preceding, pundits expect that the global economy should begin to recover in the second half of 2009 as the impact of the various policy response measures takes effect.

These developments contributed to a deceleration in the Caribbean's GDP growth from an average of 3.8% in 2007 to 2.4% during 2008. Governments, under pressure to address escalating food and petroleum acquisition costs, implemented a slew of counter measures to ease the rising cost of living. Surging import costs contributed to a worsening in the terms of trade and external current account deficit in most countries, and some embattled economies, in addition, continued to grapple with high debt burdens ranging from 112% of GDP in Jamaica to an average of 94% in the OECS countries. To add to these challenges, the global financial turmoil began to be felt in a downturn in tourism and related industries, a rise in unemployment, a fall-off in remittances, lower foreign direct investment and a slowdown in construction projects.

ECONOMIC DEVELOPMENTS IN BELIZE - 2008

Notwithstanding international developments and extensive flood damage in May/June and October/November, the Statistical Institute of Belize (SIB) is reporting that the economy grew by 3.8% during 2008. For that, congratulations and thanks are due. The SIB also reports a contraction in the unemployment rate to 8.1% from 8.5% in 2007, but a spike in the consumer price inflation to 6.4% from 2.3% in 2007.

Driving the growth during 2008 were a notable expansion in petroleum production, significant rebounds in banana and citrus production, substantial investments into telecommunications, buoyant distribution activities, and a surge in hydroelectricity generation during the third quarter. These were sufficient to counter contractions in garment production with the closure of Williamson Industries in early January; in hotel/restaurant activity attributable to a reduction in tourist arrivals; in construction that was tied to a slowdown in tourist-oriented projects; and in fishing due to a contraction in lobster and farmed shrimp production.

Manufacturing led growth with an 8.4% expansion as the halt in garment export production was more than offset by the 23.5% ramping up of petroleum output to almost 1.3 million barrels with the addition of two more wells in the Spanish Lookout field.

Even with flood, disease and hurricane damage, growth in the agricultural sector measured 5.3% as expanded outputs of banana and citrus compensated for lower harvests from sugarcane and papaya, the two crops most affected by Hurricane Dean in 2007. In a substantial pick-up from 2007, and even with flood damage, annual banana production, in response to greater input usage, better agronomic management and improved prices, rose by 26.1% to 77,934 metric tons. Contrary to initial predictions of a marginal growth in production, the 2007/2008 citrus crop had a bumper harvest. Deliveries for the crop year increased by 5.6% to 7.1 million boxes as an 8.4% increase in orange deliveries outweighed a 4.3% decline in that of grapefruit. Further boosted by a higher juice yield per box of fruit, the output of citrus juices expanded by 10.6% to 39.9 million pound solids, with output of concentrate expanding by 11.0% to 38.6 million pound solids and that of not-from-concentrate (NFC) remaining virtually stable at 1.2 million pound solids. In contrast, annual papaya production was down 12.7% to 63.7 million pounds, still below pre-hurricane levels. Affected also by floods from tropical storm Arthur and froghopper infestation, the 2007/2008 sugarcane deliveries declined by 18.4% to 980,114 long tons, compared to the 2006/2007 crop. The fall in sugar output to 78,235 long tons (the lowest output in the last twelve years) was even sharper at 19.5% due to a 2.9% worsening in the cane/sugar ratio, meaning that more sugarcane was required to produce a ton of sugar.

The upgrading and expansion of the cellular network underpinned a 4.9% growth in telecommunications and transportation, while the distribution trade recorded a 3.7% increase with robust activities during the first three quarters moderated by a fourth quarter decline. Electricity and water expanded by 2.8% due to a substantial third quarter surge in hydroelectricity generation from the heavy rains during this period.

The 7.4% contraction in the fishing industry, on the other hand, was attributable to respective reductions of 21.1% and 2.1% in farmed shrimp and lobster that eclipsed a significant expansion in tilapia and cobia output. Reflective of the economic downturn in our major markets, tourist arrivals declined as stay-over visitors fell for the first time in 12 years with a 2.4% decrease to 236,926 persons, and the number of cruise ship disembarkations also fell for a fourth consecutive year, with a 4.1% reduction to 537,632 visitors. Consequently, hotel and restaurant activity fell by 3.0%. A slowdown in tourist-oriented construction contributed to a 2.3% decline in construction, marking the fourth consecutive year of contraction in this industry.

Meanwhile, under intense pressure from surging fuel, food and import prices, annual inflation averaged 6.4% with prices increasing across all categories of goods and services, except ‘Clothing and Footwear’ that fell by a marginal 0.9%. The largest increase occurred in the food, beverage and tobacco category, which rose by 13.3%, and was largely driven by higher prices for staples such as rice, flour, bread, milk, cooking oil, eggs and whole chicken. This was followed by an increase of 3.6% in ’Rent, Water, Fuel & Power’ that largely reflected higher butane prices. Moderated by a 24.8% decline in gasoline prices during the fourth quarter, the cost of transportation and communication activities grew by 3.5%, down from a mid-year high of 9.1%.

On the balance of payments front, the rising costs and substantial capital investments spurred a 22.9% import growth that surpassed an 8.7% increase in exports, expanded the trade deficit by 50.7%, and more than tripled the current account deficit of the balance of payments from the

$98.5 million of 2007 to $306.7 million. Other current account transactions had minimal impact on the deficit as a 19.4% increase in government grants and private sector inflows almost neutralized a 4.3% fall in service receipts, which partly reflected a 2.1% decline in tourism earnings, and a 1.0% expansion in profit repatriation and dividend payments. The $293.6 million increase in imports went mostly on wheat, animal feed, milk products, fuel, cement, electricity, agricultural chemicals/fertilizers, packaging materials, inputs for the petroleum industry, telecommunication and electrical equipment, aviation/transport vehicles and commercial free zone goods. Export growth, on the other hand, came from a 6.4% increase in CFZ sales and a 12.0% expansion in domestic exports, attributable to a hike in banana earnings and a surge in petroleum revenues that offset lower sugar, citrus, garment and papaya sales.

Foreign direct investment primarily into petroleum, real estate and tourism, as well as loan inflows to the private sector, were largely responsible for financing the external current account deficit and boosting the Central Bank's gross international reserves by $114.5 million to $331.5 million, the equivalent of 2.8 months of merchandise imports.

Public sector transactions resulted in the external debt declining by 1.9% to $1,908 million (67.7% of GDP) with loan disbursements to the government totaling $79.8 million, of which $47.2 million was from the Bolivarian Republic of Venezuela in the form of credit for fuel and $9.0 million was from ROC/Taiwan. Principal and interest payments amounted to $107.1 million and $87.4 million, respectively. On the other hand, Central Government's domestic debt increased by 3.4% to $332.8 million (11.8% of GDP), as a $22.2 million expansion in the Central Bank overdraft and a $10.0 million increase in Treasury Notes outweighed principal repayments of $23.6 million. Holders of this domestic debt were Central Bank with 63.8%, the commercial banks with 28.5% and non-banking entities with the remainder.

Expansion in private sector credit and strong foreign inflows mostly from grants, foreign direct investment and export earnings underpinned a 13.3% growth in broad money supply that included a 0.3% rise in narrow money and more robust 22.2% expansion in quasi money. Growth in net domestic credit slowed to 7.4% from the 14.3% experienced in 2007 and was attributable wholly to a 10.6% increase in private sector credit, as net credit to Central Government declined by 14.1% when factoring a build-up in its deposits at the Central Bank.

Net foreign assets also rose by 20.8% with the Central Bank's position improving significantly by $113.6 million as a result of grants from Taiwan, BSI export receipts, BNE taxes and royalties, and to a lesser extent, loan disbursements. On the other hand, commercial banks' net foreign assets deteriorated by 29.9%, in contrast to 2007 when the banks' position had improved thereby enabling a $58.5 million reduction in their short-term foreign liabilities.

Reserve requirements were kept constant at 10.0% and 23.0% for cash and liquid assets. The deceleration in the rate of growth of private sector credit and a pick-up in foreign inflows mostly from tourism towards the end of the fourth quarter caused excess statutory liquidity to rise by 43.8% ($25.6 million) in 2008, compared to a 9.0% ($5.9 million) decline in 2007. With interest rates declining in all loan categories and the weighted average deposit rate increasing with some competition among the banks for the business of large depositors, the interest rate spread shrank by 58 basis points to 7.8%, the lowest level since 1990.

While the global economic downturn will be affecting some sectors like tourism and may weaken international prices for our exports, the Statistical Institute of Belize is still projecting GDP growth to be between 2.5% and 3.0% for 2009. The impetus for this growth is premised on higher production of banana, grains and papaya, a rebound in the sugarcane crop, maturing investments into farmed fish and shrimp, higher petroleum output with 7 wells fully operational during the year, and a substantial boost in local electricity production from the new co-generation plant and additional diesel generation capacity. While outlays on imports are expected to decline with the lower acquisition cost of fuel and the winding down of major capital intensive projects, a weakening in export prices, fall in remittances, lower tourism earnings and a reduction in foreign direct investment with the global credit crunch should keep the external current account deficit high and lead to a decline in official reserves. The Government is well aware of the need not to cause any undue pressure on our fixed exchange rate regime by its public expenditure program.

BUDGET PERFORMANCE IN FISCAL YEAR 2008/2009

PROJECTED OUTTURN

It is with great pleasure that I repeat that notwithstanding all the challenges that we have faced since the Government came into office last year, the budget for this fiscal year 2008/2009 that ends this month proved to be well financed, and we project a surplus on the overall budget balance. The magnitude of this achievement should not be understated.

A primary surplus equivalent to 4.9% of GDP and an overall surplus equivalent to 1.3% of GDP are projected for the fiscal year 2008/2009. The results are well above the targets set out in the approved budget.

Revenue Performance

Total revenue is projected at $717.1 million, 2.8% lower than budget, reflecting shortfalls in the collections of both recurrent revenue and capital revenue. While the projected decline in recurrent revenue is largely attributable to lower revenues from locally produced petroleum, the decrease in capital revenue was a manifestation of fewer Government lands being sold off.

Summary of Approved Budget and Projected Outturn for FY 2008/2009 - (Bz$ million)		
	Approved Estimates	Projected Outturn
Total Revenue and Grants	824.9	822.2
Total Expenditure	824.8	786.0
Primary Surplus	109.0	140.2
As % of GDP	*4.3%*	*4.9%*
Overall Surplus	0.1	36.2
As % of GDP	*0.0%*	*1.3%*
Amortization	63.9	69.6
Financing Requirement	(63.8)	(33.4)
GDP (in current prices)	2,558	2,860

Recurrent revenue is projected to be $19.0 million below budget, with tax revenue and non-tax revenue falling by $7.3 million and $11.7 million, respectively.

In the case of tax revenue, collections increased by 11.4% to $7.8 million from taxes on property, by 4.2% to $157.9 million from taxes on international trade and transactions, and by 2.8% to $251.2 million from the GST on goods and services.

However, these increases were overshadowed by a 9.0% contraction in tax intake from income and profits, and this was brought about by the fall in the business tax receipts from petroleum production and the revenue from supplemental petroleum tax or ‘windfall tax’, which never materialized.

The lower than budgeted outturn in non-tax revenue to $80.5 million is being attributed to a contraction in receipts from the Central Bank and the slump in royalties collected from the domestic petroleum industry.

Capital revenue is projected at $7.1 million, down by $1.4 million from the approved estimates, as the sale of government-owned lands was scaled back.

Grant inflows are projected at $105.1 million or 20.1% higher than the approved budget. This reflected the extraordinary grants received from the Government of the Republic of China (Taiwan) ($50.0 million) and the Bolivarian Republic of Venezuela ($20.0 million).

Expenditure Performance

Total expenditure for fiscal year 2008/2009 is projected to be $786.0 million or 4.7% below budget, as declines are registered in both recurrent and capital expenditures. While the Government also expects to spend $63.8 million in principal repayments on its debt, these payments are treated as financing and are not included in total expenditure.

Approximately 77% of recurrent expenditure is on personal emoluments and goods and services. For the fiscal year ending this month, the outlay on personal emoluments will be $260.0 million, while the expenditure on goods and services will equal $236.7 million.

Interest payments on the Central Government’s debt will total $104.0 million, and this will be lower than budget because of the benefits derived from the fall in the LIBOR rate, the interest rate at which a significant portion of our external debt is pegged.

Summary of Expenditure for FY 2008/2009		
		(Bz$ million)
	Approved Estimates	Projected Outturn
Total Expenditure	**824.8**	**786.0**
Recurrent Expenditure	**649.6**	**646.7**
Personal Emoluments	262.9	260.0
Interest on debt	108.9	104.0
Pensions	39.9	46.0
Goods and Services	237.9	236.7
Capital Expenditure	**175.2**	**139.3**
Capital II Expenditure	78.7	68.5
Capital III Expenditure	93.3	67.6
Capital Transfers & Net Lending	3.2	3.2
Amortization	**63.9**	**69.6**

An upswing in the outlay on pensions to $46.0 million is expected, which is the result of payments made to retiring members of the National Assembly and to the officers whose contracts of employment expired around the time that the new administration came into office.

While Capital II expenditure is expected to fall by $10.2 million to $68.5 million, the externally funded Capital III expenditure will decrease by $25.7 million to $67.6 million. These declines were brought about by the delays in the timing and pace of executing a number of capital III projects during the course of the year. Of course, any implementation delay of capital III projects also slows down the use of local counterpart funds for such projects that are budgeted under Capital II expenditure.

Central Government's Debt

At the end of December 2008, the Central Government's debt and guaranteed debt stood at $2,198.8 million, the equivalent of 78% of GDP and was down by $76.2 million from the 2007 position. This total debt was made up of $1,817.1 million or 64.4% of GDP in external debt, $332.8 million or 11.8% of GDP in domestic debt and $48.9 million or 1.7% of GDP in guaranteed debt.

The debt restructuring of 2007 has resulted in a significant portion, 60.2% or $1,093.5 million, of Central Government's external debt now being held in bonds, the "*super-bond effect*". The remaining balance of $723.6 million came from multilateral institutions with 21.7%, our bilateral partners with 17.8%, and commercial banks with 0.3%.

Besides the influence on the structure and level of our debt the "*super-bond effect*" has also impacted our interest payments. Currently, the annual interest rate on the super-bond is at 4.25% the equivalent of $46 million per annum. The super-bond effect does not stop there as, the annual interest rate rises to 6.00% next year costing an additional $20 million in annual interest payments. And in 2012, the annual interest rate on the super bond will escalate to 8.50%, the rate that will be payable for the remaining life of the facility ending in 2029.

With regards to the external debt of the other public sector, the total here is $91.1 million at the end of 2008. The "Financial Public Sector", namely the DFC had $55.8 million in external obligations outstanding, and the “Non-Financial Public Sector”, namely the BWSL, held the remaining $35.3 million.

BUDGET PROPOSALS FOR FISCAL YEAR 2009/2010

THE BUDGET CONSULTATION PROCESS

The process reached out to a wide cross-section of our population last December and culminated with a one-day symposium last month. While we recognized from the outset that not all the suggestions that are put forward can successfully be dealt with during one budget cycle, everyone has also now come to the conclusion that some issues that arise at the consultations are non-budgetary in nature but are of importance to improve our democratic way of life.

Some of the key issues/recommendations that arose in the budget consultation process included:

1) Support to agriculture through:
    a. the development of a long term development strategy for the sector
    b. Strengthening of extension services
    c. Elimination of taxes on fertilizes and other agricultural inputs
2) Support to tourism through additional resources for tourism marketing
3) Support for small and medium enterprise development through
    a. Ensuring that the small business has equitable access to incentives that are provided to big businesses
    b. Improved access to financing
4) Support for young people through:
    a. Special focus on boys to help them to grow into productive citizens
    b. Increased allocations for skills training for both young men and young women
    c. Ensuring that young people in the rural areas, as well as those in the cities and towns have access to youth programmes and resources

d. Ensuring that adequate resources are provided to those institutions and programmes [such as CYDP and YFTF] which are established to provide support to young people in their formative years.

But it was not surprising that the issue that generated the most discussion during and after the roundtable sessions of the symposium flowed from the theme "***Governance and Sustainable Development – Promoting Efficient and Effective Public Administration***". The need for long term planning, improved quality of policy making, better assessment of the results of public expenditure were all emphasized. Participants took the view that governance and the delivery of public service in Belize had deteriorated over the years and resolved to be partners with Government on the future of the budget consultation process and its evolution into a broader multi-partite social partnership.

To this end, a committee with membership drawn from Chamber, Business Bureau, NTUCB, and NGOs would spearhead an initiative to develop a multipartite process with the Government. The committee is to draw up a terms of reference that would be brought for consideration by all the stakeholders who were invited to the symposium. The overall objective of the multi-partite effort would be to:

1) Provide an institutional framework for the consultation process to continue into the future;

2) Institute a monitoring mechanism for the implementation of measures that emanate from the consultations;

3) Ensure that there are more frequent updates given on fiscal and economic performance; and

4) Grapple with the many issues that are not directly related to the budget but do arise from the consultations.

UNDERLYING PRIORITIES FOR THE BUDGET

In the context of the resources available to us and the information garnered from the budget consultation process, Mr. Speaker, I can tell this Honourble House that the Government is holding high its commitment to the education, health, social and physical wellbeing of the Belizean public. To this end, we are allocating additional budget expenditures to the priority areas of education, health, food security and the physical infrastructure.

In the education sector, we will continue with a robust scholarship program, with the ample transfers to denominational schools, with improved teacher training, with the school feeding programs and the roll out of the ITVET.

In the health sector, we plan to place more resources to the KHMH and kidney dialysis treatment, as well as continue with the health reform project.

With regards to food security, we will provide more funding to the districts and to small farmers including special assistance to those recovering from the natural disasters. Hence, special resources will be forthcoming for the establishments of fish farms.

There is much to do to develop and rehabilitate the physical infrastructure of this country especially following the destructive impact of the last year's natural disasters. Accordingly, the Government aims to step-up its development expenditures to replace and build bridges, improve the highways network, upgrade drainage and feeder roads, develop our solid waste management system, improve housing, school infrastructure, and hurricane shelters all across this nation.

Government is also firmly committed to poverty reduction and ensuring that the prices of basic commodities are as low as they can be for the less fortunate members of our society. We welcome, therefore, the recent fall in the price of flour and know that other prices will trend downwards now that the world crude oil prices are low. Government recently took the step of establishing the post and appointing a 'Controller of Supplies' to make sure that the rights of consumers are respected and protected.

SUMMARY OF THE DRAFT ESTIMATES FOR FISCAL YEAR 2009/2010

The draft estimates have been prepared on the assumption that nominal GDP will grow by 6.1% over the fiscal year reflecting an expected moderation in the rise in food and energy prices, while real GDP will grow by at least 2.5%, reflecting the recovery of certain key agricultural activities (such as sugar, papayas, rice, and vegetables), a rebound in the production of farmed shrimp and fish, and increased output in domestic petroleum.

Summary of Draft Estimates for 2009/2010 and Expected Outturn for FY 2008/2009 – ($BZ million)

	Projected Outturn 2008/2009	Draft Estimates 2009/2010
Total Revenue and Grants	822.2	807.3
Total Expenditure	786.0	859.7
Primary Surplus	140.2	54.2
As a % of GDP	*4.9%*	*1.8%*
Overall Surplus/Deficit	36.2	-52.3
As a % of GDP	*1.3%*	*-1.7%*
Amortization	69.6	70.8
Financing Requirement	-33.4	-123.1
GDP (in current prices)	2,860	3,035

On the revenue side, we do not propose to introduce any new tax measures apart from an increase in the rate of Import Duty leviable on Gasolines and Diesel Oil. There is, of course, a complementary increase in the Excise Tax on local production of these same items in order to maintain equity in the rate of taxes applied to these products regardless of origin. It is not expected that this latter - that is, the excise on local production - will yield significant additions to revenue as it is projected that higher sales of local petroleum product will be offset by lower sales of similar imported products. Now, Mr. Speaker, this increase in the flat tax on petroleum is one of the tough decisions I spoke of earlier. So let us remember the history of it all. When the prices for our imported petroleum products were extremely high, government did not dither. It stepped into the breach and gave up an unprecedented amount of revenue in order to restrain the apparently unending upward spiral from completely wiping out Belizean consumers. We kept on reducing the RRD and ultimately removed it altogether, replacing it with an excessively low flat tax. The RRD removed at the time was approximately $2.30 per US gallon; and the revenue sacrifice the government made for the Belizean public amounted to 40 million dollars on annualized basis. Even after the imported oil prices fell sharply and I was being pressed to compensate by recouping some of the revenue loss, I refused. This government was determined to maintain the great boon to the Belizean people for as long as we possibly could. Even now that we are forced to ask back for some of the abundance that we passed along, we are ensuring that this doesn't happen until April. Thus there would have been as long a spell of incredibly low pump prices as we could possibly have managed. I also note that the increase we are proposing is only $1.00 per gallon on gasolines and diesel. This amounts to less than one half of the taxes that were removed over the last year. It will still keep diesel at below the $6.00 per gallon mark, and gasoline at below $7.00. Butane, on which there is no tax, will not be affected. In doing our calculation we were guided by best estimates of where the acquisition costs for the refined products will be over the next year. If for any reason these turn out to be significantly higher than the experts predict, it is my promise that we would then come back and take off as much of this dollar increase as would put things back in alignment for the Belizean people. This revenue measure is, despite the 60 million dollar financing gap that we needed to close, and which we have closed, the only increase we are implementing. It is as painless as we can make it. The world is in crisis, and small open economies such as Belize's, have the narrowest of options. That we should be able to move forward relatively unscathed, without resorting to any but this solitary tax measure, is (I believe) a cause for understanding, solidarity and even appreciation. This single step will yield thirty million dollars and that took us half way to closing the financing gap. Government's economic diplomacy did the rest and we are now, so to speak, home free.

It should be noted that there will be no increase in the imported duty on illuminating kerosene as this item is still used as the primary source of light and energy in many low income, rural households.

Mr. Speaker, the amendment to the Environmental Tax Act which I will introduce today, is merely to harmonize the level of taxes on the imported versus the locally produced fuel, and it is not intended as a revenue raising measure as there will be little or no incremental yield arising from this amendment.

The rapid fall in the world oil prices, to the current level of just under US$40 per barrel, has also had a major impact on the projected tax revenue from the local petroleum industry. While the Petroleum Surcharge Tax is still on the books, we do not anticipate that the trigger price of US$90 per barrel will be reached anytime in the coming fiscal year, and therefore we are not providing for any revenue from this Surcharge Tax. We are projecting, however, a combined $40 million in income taxes and royalties from the industry over the next twelve months, based on a conservative forecast of production (at 4,500 barrels per day) and an average price of US$50 per barrel over the period, in line with projections contained in the IMF's World Economic Outlook.

Other Import Duties and the General Sales Tax are expected to increase in line with the nominal GDP.

Another item of note is that we are projecting a decrease of about $5.0 million in revenue from motor vehicle licenses and drivers permits, reflecting the decision taken and implemented during the current fiscal year to transfer the responsibility and income from this activity to the various town councils. This is in keeping with our commitment to give more financial autonomy to the Town Councils.

On the expenditure side, we are proposing an expansion in the recurrent budget to take account of moderate growth in wages and salaries, and increased operating expenditure reflecting still-high utility rates, significant increases in provision to increased financing for the National Health Insurance (NHI) Scheme, and additional support to the Karl Huesner Memorial Hospital (KHMH), whose subvention has hitherto remained unchanged for the past three years.

At the same time a significant factor contributing to the apparent rise in the recurrent budget expenditure is the reclassification of certain expenditures from Capital to Recurrent, in order to better reflect the true nature of such expenditure. Included in this amount are the annual provisions for the Administration of the Social Investment Fund, the administration of the Financial Intelligence Unit, the annual grants for the September Celebrations, the Grants for Community and Constituency services, and allocations for special meetings to be hosted by Belize relating to CARICOM, Petrocaribe and certain of the United Nations Agencies. Taken together, these amount to some $4.6 million in reclassified expenditure, which when netted against a similar decrease in the capital expenditure program will have a neutral effect on the bottom line.

We have set a preliminary target for the Primary Surplus of 1.8% of GDP and a target for the Overall Deficit of *negative* 1.7% of GDP.

Total Revenue and Grants are estimated at $807.3 million. This is a *decrease* of $14.9million over the expected outturn for last fiscal year. Total Expenditure is estimated at $859.7million. Taken together, the result is an Overall Deficit of $52.3 million, or negative 1.7% of GDP.

Provision for amortization payments have increased slightly to $70.8 million, which, when added to the Overall Deficit, results in an Overall Financing Requirement of $123.1 million.

This financing requirement will be met from the following already secured sources of financing:

1) Drawdowns of approximately US$28.8 million in project related loans already committed for the Capital III Program

2) A Drawdown of US$7.5 million from a new IDB Social-Fiscal Policy Based Loan.

3) A Drawdown of US$20 million from a new Republic of China (ROC) Budget Support Loan, and

4) A Moderate Amount of Domestic Financing equivalent to US$5.2 million drawn from balances in the Petrocaribe Fund.

Mr. Speaker, you will see that once again we have benefitted from a continuing inflow of receipts from bilateral and multilateral sources. Our part of the bargain, our share of this partnership, means that we will properly manage our Budget process this year and take the necessary step to ensure that we achieve sustainability and generate the wherewithal necessary to meet our medium to long-term debt commitments.

ESTIMATES OF REVENUE 2009/2010

The Draft Estimates of Revenue and Grants are comprised of $751.3 million in Recurrent Revenue, $5.6 million in Capital Revenue and $50.5 million in Grants.

Recurrent Revenue is made up of $670.1 million in Tax Revenue and $81.2 million in Non-Tax Revenue.

The rise in Recurrent Revenue is attributed to the following:

1) A $30.0 million increase from the proposed increase in the import duty rate applicable to Imported Fuels

2) A $7.0 million increase in collections from the GST.

3) A $5.0 million rise in collections from the Environmental Tax.

4) These increases are, on the other hand, moderated by a projected decline of about $13.0 million in income taxes and royalties from the local petroleum industry.

5) We are also projecting a decline of about $5.0 million in the collection of motor vehicle and driver's licenses and fees.

Summary of Revenue Collections – (Bz$ million)

	Projected Outturn 2008/2009	**Draft Estimates 2009/2010**
Total Revenue and Grants	**822.3**	**807.3**
Recurrent Revenue	**710.1**	**751.3**
Tax Revenue:	**629.6**	**670.1**
Income and Profits	212.7	210.5
Taxes on Property	7.8	7.7
Taxes on International Trade & Transactions	157.9	190.4
Taxes on Goods & Services	251.2	261.5
Non-Tax Revenue:	**80.5**	**81.2**
Property Income	10.3	10.7
Licenses	14.7	9.5
Other	55.5	61.0
Capital Revenue	**7.1**	**5.6**
Grants	**105.1**	**50.5**

Capital Revenue is estimated to increase slightly by $1.4 million to $8.5 million reflecting the normal sales of land as citizens convert their leases to freehold titles. As in the case of the current year, this Government will not be in the business of the sale of large parcels of national lands at give-away prices to a favored few, the hall mark of the last Government.

We will not be seeing significant new grants for general budget support from our bi-lateral partners for the new fiscal year, having received an extra-ordinary level of support from the Republic of China this year. But we do anticipate a step up in grant financing from the traditional multilateral partners, particularly the European Union under the Tri-Annual EDF Program as well as its Special Banana and Sugar Industry support Programs; the Caribbean Development Bank under the Basic Needs Trust Fund Program; and the United Kingdom under the Commonwealth Debt Initiative Program.

We are also pleased to be the recipient of a grant this year from the CARICOM Petroleum Fund in the sum of US$9.0 million. The CARICOM Secretariat, which administers a Petroleum Fund financed by the Government of Trinidad &Tobago to support the smaller Eastern Caribbean Countries and Belize, responded favorably to an application from Belize for financing urgent road and street rehabilitation works following the two devastating flood events in 2008. I would like to take this opportunity to express the thanks and appreciation to the Secretary General and the Government and people of Trinidad & Tobago for their response.

We will also access a transfer of $5.0 million from the Public Utilities Commission, being a build up in deposits over the years. These are monies that were always properly for the Consolidated Revenue Fund, but the practice had developed under the previous government to leave the monies with the PUC. Altogether it is estimated that grant funding will contribute $50.5 million to finance the upcoming budget.

ESTIMATES OF RECURRENT EXPENDITURE 2009/2010

The Draft Estimates of Recurrent Expenditure propose a total of $689.8 million up from an outturn of $646.7 million in the year before. The proposed increase of $43.1 million reflects an increase due to the natural growth in wages and salaries driven by merit awards, pension, and the fact that the Government, as a major consumer, is faced with the still high costs of utilities and other services. It also reflects the reclassification of some $4.6 million in expenditure from capital to recurrent, to more properly account for certain expenditures that appear year after year and will continue to do so.

In addition, the Government is proposing a sharp increase in the funding of the National Health Insurance Program, to fill the gap created by the cessation of the Social Security Board's partial funding for the program.

Government is proposing an allocation of $276.6 million for Personal Emoluments. This reflects an addition of $16.6 million, but it is to provide for the full year effect of the UDP's restoration of the salary increment frozen in the year 2005; and also to provide for the normal salary increments, which we are committed to maintain, falling due in 2009.

Summary of Expenditures – (Bz$ million)		
	Projected Outturn 2008/2009	**Draft Estimates 2009/2010**
Total Expenditure	**786.0**	**859.7**
Recurrent Expenditure	**646.7**	**689.8**
Personal Emoluments	260.0	276.6
Debt Service	104.0	106.6
Pensions	46.0	43.9
Goods and Services	236.7	262.7
Capital Expenditure	**139.3**	**169.9**
Capital II Expenditure	68.5	63.4
Capital III Expenditure	67.6	100.1
Capital Transfers & Net Lending	3.2	6.4
Amortization	**69.6**	**70.8**

In addition we propose to fill some critically needed positions in the security services, in education, and in the health services, as well as to augment the technical capacity of the Agriculture and Lands departments. The thrust in agriculture, the push to expand production and acquire new markets, requires this. And we are also sworn to get the lands department moving properly again. This is for the masses of people requiring house lots and farm land, as well as for the legitimate commercial real estate sector.

Government is also proposing an allocation of $262.7 million for Goods & Services to provide for increased costs of rents, material and supplies, and other essential items, as well as grants to institutions. Also included under this main budget line, and underscoring our expanded commitment to the all-important health, education and social sectors, are:

1) An increase of $4.8 million to finance the NHI.

2) An increase of $3.1million in grants to the KHMH

3) An increase of $2.0 million in grants to Educational Institutions

4) And a general increase of $5.0 in grants for social assistance and other community support programs.

In the recurrent budget, we are also proposing some $106.6 million dollars to meet interest payments on our debt obligations for the year. The amount required is approximately $3.0 million more than the previous year. This is due to the implementation of a Government Finance Statistics practice whereby the interest on Government loans that have been assumed by privatized entities is now included both on the expenditure side of the budget and on the revenue side as a reimbursement receipt. The net effect to the budget is zero.

Separately, we are providing a further sum of $70.8 million to meet amortization payments, including the provision of some $5.0 million to retire some GOB Defence Bonds that will mature later in the year. For purposes of international financial reporting, the amortization is not included in the recurrent budget. It, nevertheless, does represent a call on the financial resources of the Government and so must form part of the overall financing requirement of the budget.

Also in the recurrent budget, is a provision of $43.9 million to meet Pensions and Gratuities for retired public officers. This is a growing liability but one that is a fundamental, non-negotiable obligation.

ESTIMATES OF CAPITAL EXPENDITURE 2008/2009

This, Mr. Speaker, is where – relatively speaking – we go for broke. This is where we make the shining new investments in the physical and social infrastructure projects that will continue our work of lifting this nation up. This is where we enshrine the luster of a comprehensive, progressive and people-centered UDP development agenda. It is an agenda, I am proud to say, that has the full support of the international financial institutions. The name of our country, thanks to the UDP, is no longer leprous. And over the past year we have secured commitments for several tens of millions of dollars in new concessional funding for Belize. Accordingly, government is proposing to increase capital expenditures significantly to 163.5 million dollars in fiscal year 09-10.

In the Capital II [locally funded] program, Government proposes to expend $63.4 million from its own resources. This is to carry out small local projects but, more so, to provide for adequate levels of counterpart funds for externally financed projects in the Capital III Program.

In the Capital III [externally funded] program totaling $100.1 million, the stellar line-up of major investments includes the following:

1) $4.0 million for repair of Belize City Streets

2) $6.0 million for rehabilitation of the feeder roads, streets, and drains

3) $9.9 million for the new Solid Waste Management Project

4) $7.0 for rehabilitation and upgrading of the Western Highway

5) $7.0 million for the upgrading of the Placencia Road

6) $3.0 million for the completion of the Southern Highway

7) $3.2 million for the Belize City South Side Poverty Alleviation Project

8) $8.0 million for the rehabilitation of sugar feeder roads

9) $3.0 million for the permanent replacement bridge structure at Kendall

10) $3.0 million in support to the Banana Industries under the European Union Program.

11) Over $8.4 million dollars in aggregate to fund community projects under the Social Investment Fund, the Commonwealth Debt Initiative, and the Basic Needs Trust Fund

12) $3.0 million to complete the Health Reform Project

The World Bank funding of 30 million dollars for municipal streets and drains will not go to their board until the second half of the year so we have not included it here. But it is a sure thing and should be disbursed in the last quarter thus ensuring that we end the year with an additional burst of glory.

As I have earlier said, this planned step-up in Capital spending in the new budget year can be seen as our version of a Stimulus Package. In the most difficult circumstances in a generation, we will still increase economic activity and spur growth. We will create employment and we will build and rehabilitate infrastructure. And unlike what is happening elsewhere, our stimulus package will not be financed by high cost commercial debt or by any generalized raising of taxes. It is funded by a judicious mix of concessionary loans and grants. It is all programmed not to significantly impact the debt stock nor to put pressure on our debt servicing capacity. And it is all available because this government has put an end to the vicious circle of corruption at home and ostracism abroad. Credibility has been restored, possibilities have been renewed, and Belize marches on.

PRIORITY ISSUES BEING ADDRESSED

REFORM OF PUBLIC FINANCIAL MANAGEMENT

Mr. Speaker, transparency and reform have helped to bring us this far. And especially with respect to our public financial management and procurement systems, transparency and reform must continue to rule the day.

Thus, with the assistance of the European Union we are completing a thorough assessment of our Public Financial Management Systems as a prerequisite toward the development and implementation of a comprehensive program of reform thereof.

With the assistance of the Inter-American Development Bank (IDB), we are about to embark on a similar exercise in respect of our Procurement Systems and Processes. The IDB will also be providing us with Technical Assistance to develop a Fiscal Transparency and Responsibility Framework.

With the assistance of the CDB, we are undertaking two small, but very important technical projects: (i) the review and modernization of the financial law and regulations, and (ii) the development of an institutional framework for conducting economic management.

With the assistance of the Caribbean Regional Technical Assistance Center (CARTAC), we have committed to implement, over the medium term, a new system of Program Budgeting in which funds are allocated by program and outputs are measured as much as input. Ultimately program managers are held accountable not only for the proper management of the resources allocated to their programs but also for achieving the agreed interim and final targets.

With the assistance of the World Bank, we will build the capacities of both the Auditor General and the Contractor General Offices as part of the overall plan to improve expenditure accountability and economic management in the public sector.

REVITALIZING THE DFC

Mr. Speaker, I cannot close this presentation without a few words concerning the DFC. Perhaps more than anything else the DFC was emblematic of all that went so horribly wrong under the

PUP. This was our only development institution, with a long history of serving small people – the students, the single mothers, the small farmers, the young entrepreneurs. But its noble mission and proud record was completely upended when it was made into a corrupt vehicle for funneling huge, uncollateralized loans to government cronies. Its bankruptcy thereby became inevitable leaving this huge void for the small and the poor. We swore to revive the DFC. And despite the skepticism as a consequence of the epic scale of the PUP betrayal, we convinced the Caribbean Development Bank to help. I am happy to report the approval of the initial 20 million dollar loan to government for the DFC. Once again the phoenix is free to fly. Surely this is tangible, tactile proof of the difference between the two administrations. It is a monument to UDP rescue and resolve.

CONCLUSION

OVERCOMING THE CHALLENGES AND PURSUING THE OPPORTUNITIES

Mr. Speaker, Time and time again throughout our history, Belizeans have risen up to overcome adversity in a way that has stamped us as an uncommon people. Right at the start the sanctity of that first settlement in the Bay of Honduras was only preserved by heroic resistance to overwhelming odds. That legacy has never left us and we remain proud inheritors of the Baymen’s glory. And so it is that today I have no doubt that the overflow problems presented by a world in crisis cannot defeat, or even too long detain, the Belizean people. It is one of the wonderful truisms of human existence that there is hardly a challenge that does not bring with it an equal opportunity. Here, on the original Spanish Main, at the current crossroads of Central America and the Caribbean, let no one doubt that it continues to be our special destiny to vanquish challenges and take full advantage of opportunities. As it was in the beginning so it is now for a nation marked by sinew and synapse as ultimately bound for glory.

Long live Belize!

Economics Indicators	2004	2005	2006	2007	2008[P]
POPULATION AND EMPLOYMENT					
Population (Thousands)	281.1	289.9	299.8	309.8	322.1
Employed Labour Force (Thousands)	95.9	98.6	102.2	111.8	114.5
Unemployment Rate at April (%)	11.6%	11.0%	9.4%	8.5%	8.1%
INCOME					
GDP at Current Market Prices ($mn)	2,112.6	2,229.7	2,426.2	2,553.5	2,819.6
Per Capita GDP ($, Current Mkt. Prices)	7,515.1	7,691.9	8,093.6	8,243.5	8,753.8
Real GDP Growth (%)	4.6%	3.0%	4.7%	1.2%	3.8%
Sectoral Distribution of Constant 2000 GDP (%)					
Primary Activities	18.1	18.1	16.2	12.8	12.3
Secondary Activities	15.1	14.6	17.5	17.7	18.4
Services	57.8	58.7	57.5	59.9	54.1
MONEY AND PRICES ($mn)					
Inflation (Annual average percentage change)	3.1	3.7	4.2	2.3	6.4
Currency and Demand deposits (M1)	492.2	516.1	617.8	704.4	706.3
Quasi-Money (Savings and Time deposits)	756.1	815.8	887.1	1,031.7	1,260.4
Money Supply (M2)	1,248.3	1,331.9	1,504.9	1,736.1	1,966.7
Ratio of M2 to GDP (%)	59.1%	59.7%	62.0%	68.0%	69.8%
CREDIT ($mn)					
Commercial Bank Loans and Advances	1,176.5	1,254.7	1,390.5	1,599.6	1,736.0
Public Sector	46.3	62.4	48.6	40.8	19.1
Private Sector	1,130.2	1,192.3	1,342.8	1,559.6	1,718.2
INTEREST RATE (%)					
Weighted Average Lending Rate	14.0%	14.3%	14.2%	14.3%	14.1%
Weighted Average Deposit Rate	5.2%	5.5%	5.8%	6.0%	6.4%
Weighted Average Interest Rate Spread	8.8%	8.8%	8.5%	8.3%	7.8%
BALANCE OF PAYMENTS (US $mn)					
Merchandise Exports (f.o.b.)[1]	307.5	325.3	427.2	425.5	462.6
Merchandise Imports (f.o.b.)	480.7	556.2	612.0	642.0	788.8
Trade Balance	-173.3	-231.0	-184.8	-216.5	-326.2
Remittances (Inflows)	30.9	40.9	57.8	70.8	74.1
Tourism (inflows)	168.1	213.6	219.0	247.2	240.2
Services (Net)	88.2	143.0	210.7	231.1	221.2
Current Account Balance	-155.9	-151.2	-25.4	-49.2	-153.3
Capital and Financial Flows	127.3	147.3	83.2	99.0	186.5
Gross Change in Official International Reserves	31.4	-12.2	49.8	22.9	57.2
Gross Official International Reserves [2]	53.3	35.8	85.7	108.5	165.8
Import Cover of Reserves (in months)	1.4	0.8	1.8	2.3	2.8
PUBLIC SECTOR DEBT					
Disbursed Outstanding External Debt (US $mn)	893.1	969.7	985.7	972.5	954.1
Ratio of Outstanding Debt to GDP at Mkt. Prices (%)	84.5%	87.0%	81.3%	76.2%	67.7%
External Debt Service Payments (US $mn)	96.9	89.0	134.6	134.7	97.2
External Debt Service Ratio (%)[3]	17.9%	14.2%	17.2%	16.4%	14.5%
Disbursed Outstanding Domestic Debt ($ mn)	278.5	279.4	299.9	321.9	332.8
Domestic Debt Service Payments ($ mn)	18.8	23.1	27.5	30.5	47.6

Sources: Ministry of Finance, Statistical Institute of Belize, and Central Bank of Belize P = Provisional

(1) Includes CFZ gross sales

(2) Starting in 2005 these numbers have been revised to reflect only usuable reserves as defined by BPM5.

(3) Excludes refinancing of US$95.4mn (2004), US$136.7mn (2005) and the restructuring amount of US$541.9mn in 2007.