

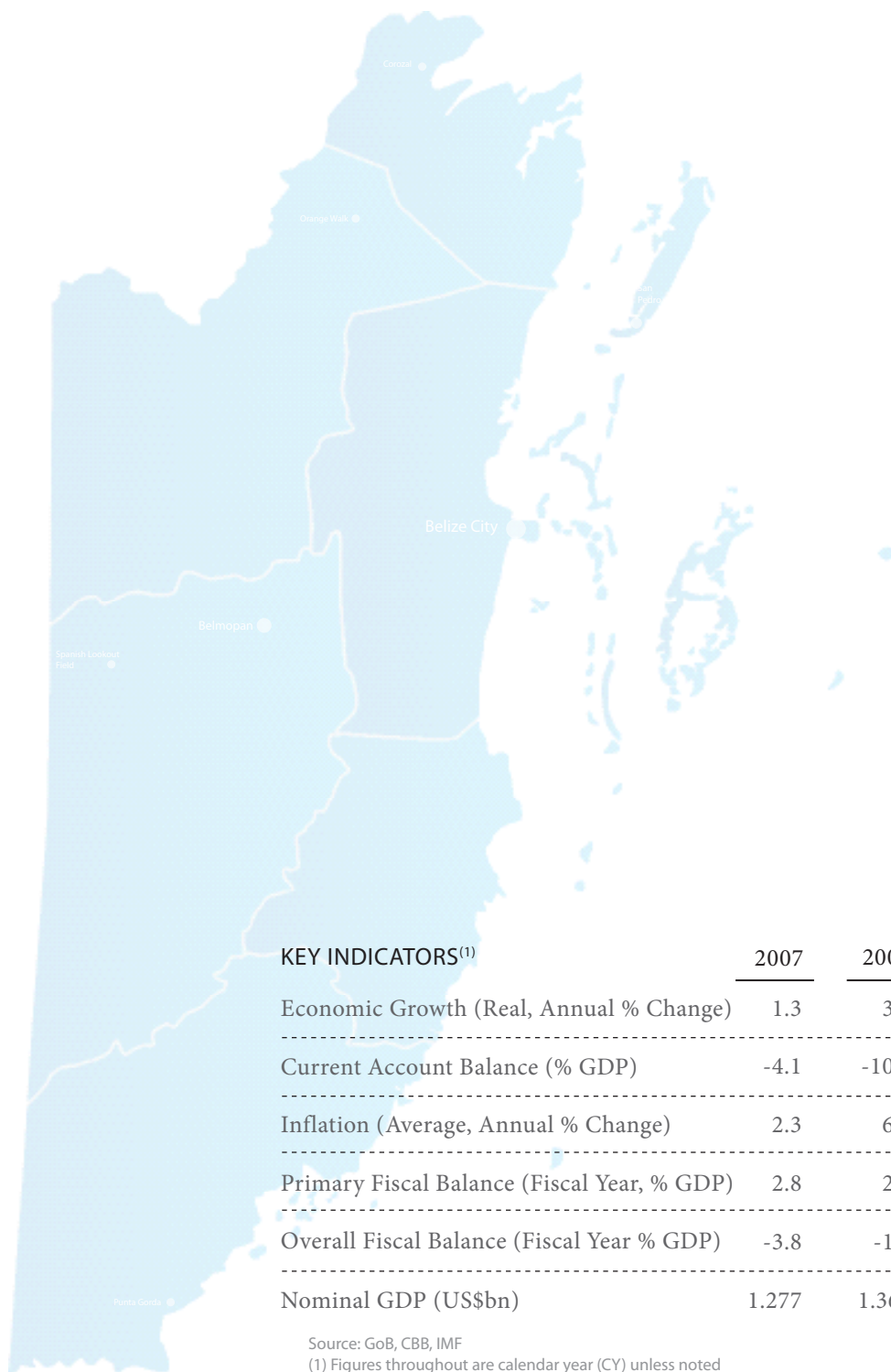
# Belize 2012

Economic & Financial Update

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KEY INDICATORS <sup>(1)</sup>	2007	2008	2009	2010	2011e
Economic Growth (Real, Annual % Change)	1.3	3.6	0.0	2.7	2.0
Current Account Balance (% GDP)	-4.1	-10.6	-6.1	-2.9	-2.5
Inflation (Average, Annual % Change)	2.3	6.4	-1.1	0.9	1.5
Primary Fiscal Balance (Fiscal Year, % GDP)	2.8	2.9	2.4	1.7	2.3
Overall Fiscal Balance (Fiscal Year % GDP)	-3.8	-1.1	-1.2	-1.7	-1.1
Nominal GDP (US\$bn)	1.277	1.364	1.349	1.399	1.448

Source: GoB, CBB, IMF  
 (1) Figures throughout are calendar year (CY) unless noted

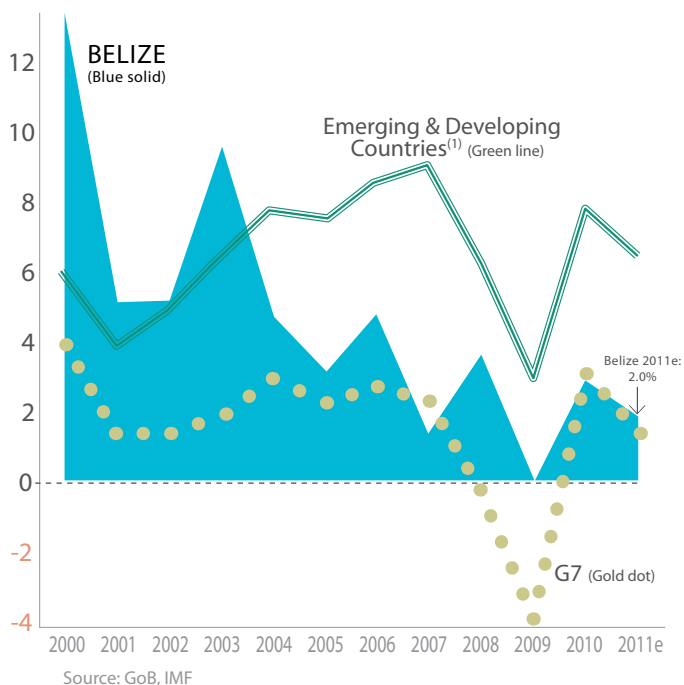
## OVERVIEW

- Over the last five years, Belize has held a steady fiscal course despite facing heavy headwinds unleashed by a global downturn of unprecedented proportions
- During this period, Belize has found itself having to take pre-emptive action to address deep-rooted problems in the utilities sector: the resultant nationalization of telecoms and electricity distribution operations has given rise to material additional liabilities for the Government
- In the background, the effects of the negative external climate and an increase in debt service levels are set to combine with declining oil revenue to place a heavy strain on public finances and the economy more generally
- Belize is now moving to address its additional liabilities and determine appropriate strategies for dealing with the forecast collapse in oil revenue; this notwithstanding, overall obligations look certain to exceed the country's capacity to pay, even when conservative assumptions are used
- The Government's latest projections indicate that the country is facing sizeable financing gaps from 2013 onwards; the authorities are in active discussions with multilateral partners, but it is clear that multilateral funds alone will not close these expected shortfalls

# RECENT ECONOMIC AND FISCAL PERFORMANCE

## Economic Performance

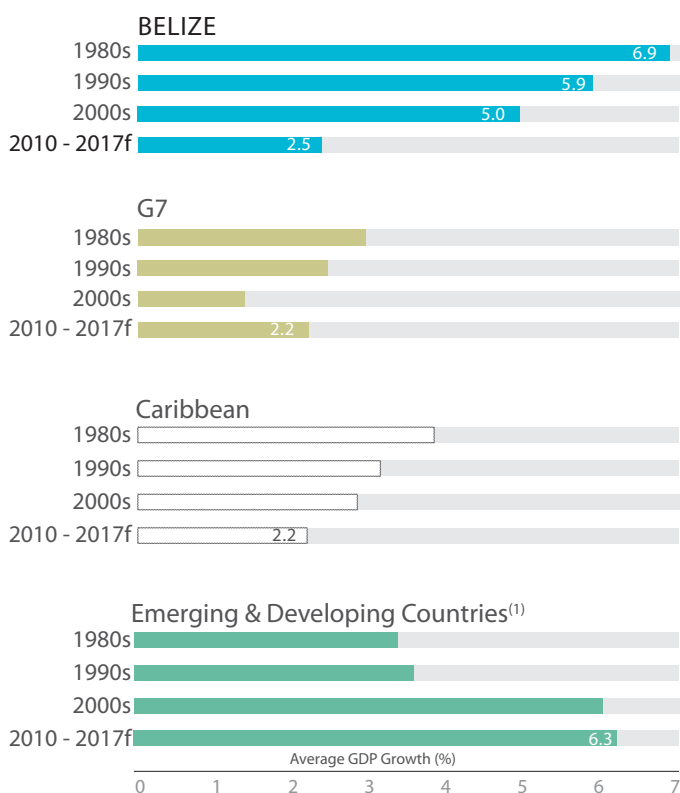
Chart 1: Economic Growth, 2000 - 2011e  
Real GDP (Annual % Change)



The pace of economic expansion over the last five years has fallen short of what was expected by both Belize and its creditors at the time of the 2007 restructuring; the ongoing deceleration in growth (see Chart 1) is being partially driven by the severe contractionary effects that the global financial crisis has had on the country's mainstay tourism industry

- Despite a modest recovery last year, 2011 tourism receipts remained 12% below their 2007 level
- The impact of the crisis has been most severe on stay-over tourism, with estimated spending levels down significantly and hotel occupancy rates at just 39% last year
- Although non-oil exports (such as citrus and marine products) began to recover in 2010, they remained 18% below their 2006 levels in 2011
- Since 2007, tropical storms have resulted in a loss of economic output of approximately 6% according to IMF estimates

Chart 2: Economic Growth, 1980 - 2017f  
Real GDP (Annual % Change)



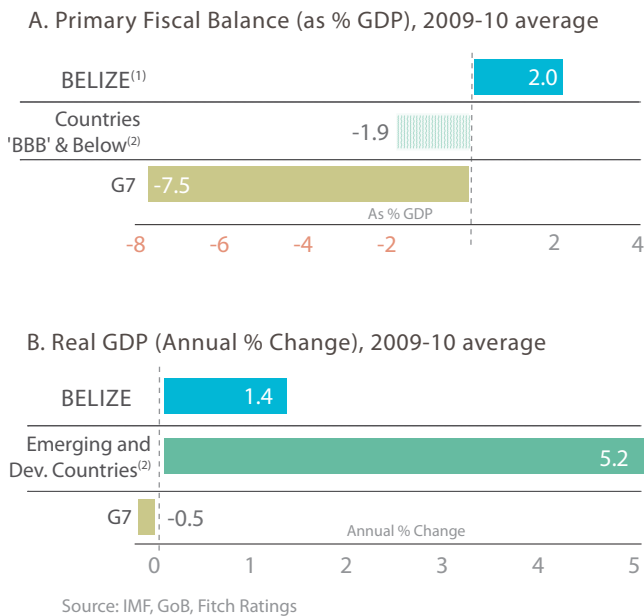
The expansion of the oil sector over the last five years has been the single most important factor that has allowed growth to remain mildly positive throughout the crisis; oil output has peaked and is now expected to begin a steady decline (see Oil Sector Developments)

Annual growth over the long run is forecast by the IMF to average at just 2.5% — in line with the expectations of subdued growth both in the Caribbean and amongst Belize's advanced economy trading partners (see Chart 2), and less than half the level projected for other emerging and developing economies<sup>(1)</sup>; this long-run forecast has been reduced by more than a third by the IMF against its 2006 forecast—in line with the shift in outlook by the Fund for countries across the Caribbean

# RECENT ECONOMIC AND FISCAL PERFORMANCE (cont)

## Fiscal Performance

Chart 3: Comparative Response to Global Financial Crisis



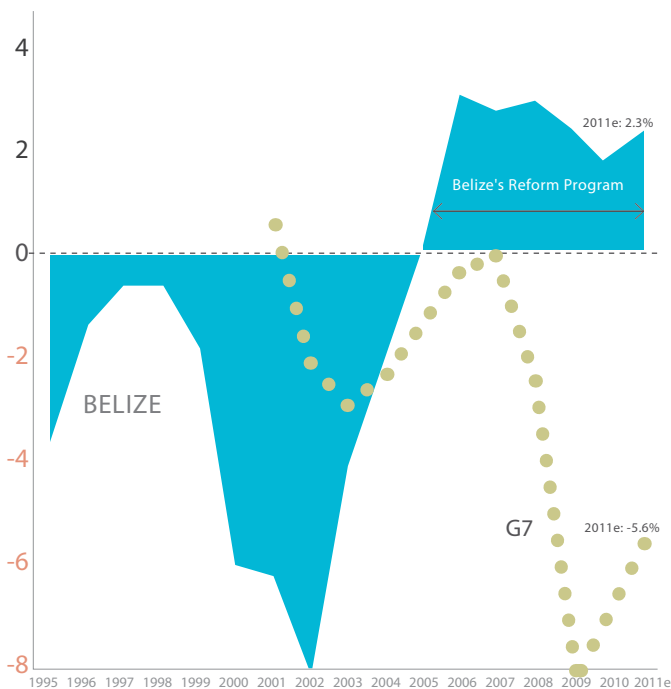
Despite the unprecedented global downturn and its dampening impact on growth, the Government has been able to continue generating sustained primary surpluses; these positive primary balances stand in stark contrast to the persistent average primary deficits posted by Belize's key trading partners and countries in the Caribbean and other emerging market regions (See Charts 3 and 4)

- Belize's average primary surplus as a share of GDP during the crisis exceeded that of the G7 by 9.5 percentage points
- Countries rated BBB or below ran a primary deficit of 1.9% of GDP; a broader aggregate of emerging market countries grew by nearly four times Belize's 1.4% annual average rate of growth

Since 2005, successful execution of the home-grown reform program has halted a legacy of primary deficits. The reforms have focused on strengthening revenue collection, broadening the tax base, and improving expenditure control and monitoring

Chart 4: Primary Fiscal Balance (as % GDP)

Belize: FY 1995-2011e, G7: CY 2001-2011e



Source: IMF, GoB, CBB

(1) Belize fiscal balances are for Fiscal Years, which run 1 April - 31 March

(2) Data for IMF's 150-country Emerging and Developing Countries aggregate is not available for primary balance indicator

- Capital expenditure during the program as a share of GDP has remained at less than half of the average of the 1995-2005 period
- Capital expenditure now stands at roughly half the current level in the Caribbean, despite strong social pressures in the face of deteriorating infrastructure (inadequate infrastructure for basic educational needs is a particular concern of the IFIs) and a growing need for capital projects to help combat a rapidly worsening violence and domestic security problem
- Oil revenue has played a supportive role for the public finances, accounting for 10.9% of fiscal revenue at its peak in 2010; oil revenue is now expected to decline (See next page)
- As a share of GDP, grants fell by more than 40% during the financial crisis against the average for the preceding decade

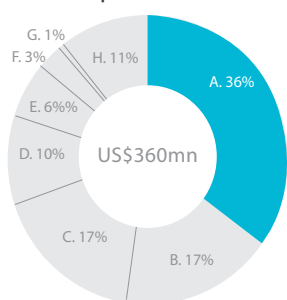
# OIL SECTOR DEVELOPMENTS

## Oil Sector Background

Despite active encouragement of oil sector development on the part of the Government and the granting of new exploration licenses (often in the face of significant opposition from the powerful environmental lobby), no new commercially-viable oil finds have been made in Belize since 2005 – contrary to the hopes of Belize and its creditors at the time of the 2007 restructuring

- Although crude oil now accounts for roughly 36% of Belize’s domestically produced exports, the country imports virtually all refined products and remains a net petroleum product importer overall (See Chart 5)
- Oil production in Belize began to decline in 2009 and fell by 10% in 2011; in the absence of new discoveries, production is forecast to drop steadily to reach half its 2009 level by 2015 (See Chart 6)
- A privately-held company, Belize Natural Energy (BNE), has produced oil from two fields in the west of the country since 2006 under a revenue-sharing arrangement that provides the Government with income through a combination of a working interest, royalties, and dividends
- Although the Government has sought to encourage oil sector development, private sector interest in further oil exploration has waned due to the lack of new finds to date, unsuccessful exploratory drilling, and the below-forecast production levels at the second commercial field in Belize (Never Delay)
- Public opposition to offshore oil and gas exploration in the vicinity to the Belize Barrier Reef on environmental grounds has become increasingly vocal; last year a public campaign by social groups sought to put the issue to a referendum, while the Government has continued to argue against an outright ban

Chart 5: Exports Q2 2011 - Q1 2012, US\$m

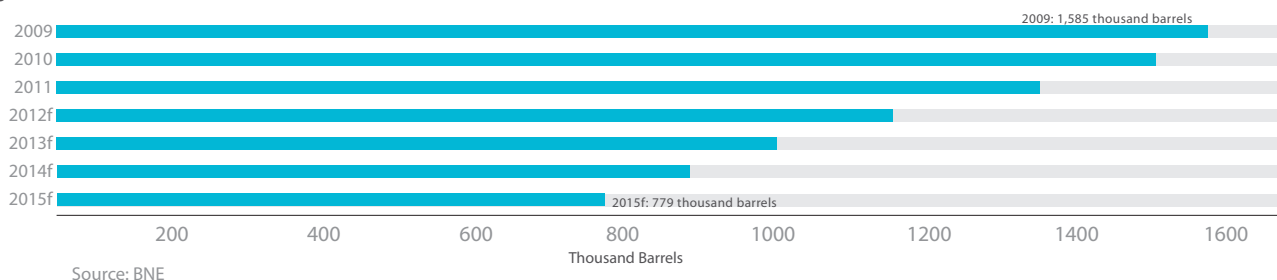


Figures in US\$m

A. Petroleum	128	E. Marine	22
B. Citrus	61	F. Papayas	11
C. Sugar	60	G. Molasses	3
D. Banana	35	H. Other	40
Source: CBB		TOTAL	360

Chart 6: BNE Forecast Oil Production

Figures in '000 Barrels, Source: BNE



Source: BNE

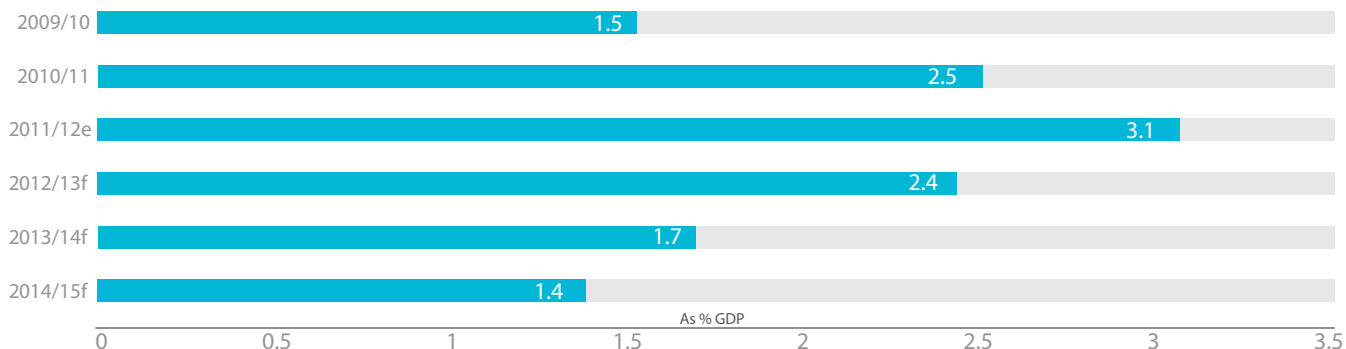
## OIL SECTOR DEVELOPMENTS (cont)

### Oil Revenue Outlook

- In FY 2011/12, Government oil revenue reached the equivalent of 3.1% of GDP, and has been boosted in recent years by expected peaks in production at the principal commercial well, elevated world crude prices, BNE's ability to secure improved pricing for its product, and an additional tax (See Chart 7)
  - Had world crude prices remained at 2009 levels, oil revenue in 2010 and 2011 would have been lower by at least 25% and 45%, respectively (see Chart 8)
- The Government's share of the value of oil exported since 2006 has averaged roughly 25% on an annual basis
  - During the FY 2009-2011 period, the Government received roughly US\$100 million in revenues from BNE, 60% of which were in the form of income tax, 24% in royalties, and 16% in working interest and production sharing (See Chart 9)
- Based on BNE's production forecasts and current forward contracts, the Government anticipates that oil revenue will fall to 2.4% of GDP this fiscal year and 1.4% of GDP in 2014/15
- These forecasts assume that world prices and product spreads remain at current elevated levels for a protracted period, effectively implying realized values that are more than 15% above what has been achieved by BNE since 2006

Chart 7: GoB Historical and Forecast Oil Revenues

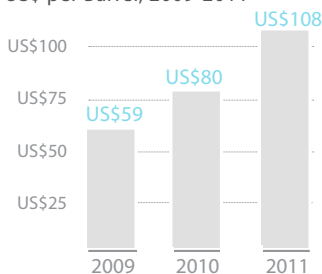
As % GDP, Fiscal Years, 2009-2014f



Source: BNE, GoB

Chart 8: Average Oil Prices Realized by BNE

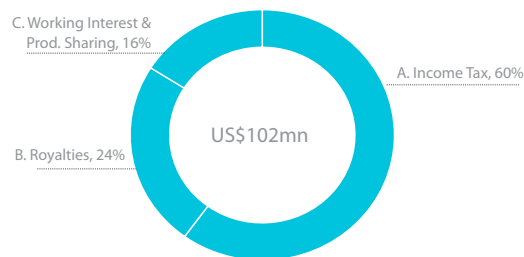
US\$ per Barrel, 2009-2011



Source: BNE

Chart 9: Breakdown of GoB Oil Revenues

As % Total, Fiscal Years, 2009-2011e



Source: GoB



# BANKING SECTOR

## Sector Update

*Belize's financial sector is composed of five domestic banks, six international banks, and 13 credit unions. A single domestic bank holds more than 25% of system assets*

- During the last IMF Article IV review process (October 2011), IMF Staff and Executive Board members highlighted their concerns over the banking sector's increasing vulnerability as reflected in a Financial System Assessment Program (FSAP) conducted in July 2011
- The sector's asset quality is believed to have declined in line with the weak growth and limited appetite for real estate and tourism developments following the onset of the global financial crisis
- Net credit in the financial system declined in 2010 and 2011 as banks increased their holdings of cash and liquid assets
- Non-Performing Loans (NPLs) rose from 12% at end-2009 to reach 20% in February 2011. Although banks wrote-off more than US\$20 million in bad loans last year, the sector's NPL ratio stood at a still elevated 14% as of end-March 2012
- IMF Staff have also highlighted concerns in the qualitative measurement of collateral—which banks use to back liquidity levels and large single-borrower and connected-lending exposures — as well as the role of connected financial institutions operating offshore
- In response to these concerns, the monetary authorities requested technical assistance from the IMF. The Fund's recommendations, finalized in March 2012, led the Central Bank to adopt several measures:
  - enact circulars with more conservative provisioning requirements (especially on substandard and asset-backed loans)
  - enhance oversight capacity
  - require transparent disclosure of underlying borrowers and connected parties
  - develop a crisis management framework
  - identify areas where its own mandate should be enhanced to enable it to address deficiencies

## BACKGROUND TO NATIONALIZATIONS

### Belize Telemedia Limited (BTL)

*Belize Telemedia Limited, with its roots going back to the 1950s, is Belize's dominant provider of fixed line and mobile telecommunication services*

- BTL was privatized in stages, a process that began in the late 1980s
- In August 2009 BTL was nationalized following the enactment of legislation that paved the way for the Government to acquire the telecommunications utility for public purposes; this legislation required the Government to pay reasonable compensation to the former shareholders over a period not to exceed five years, with interest accruing at a rate equivalent to that paid by commercial banks on fixed-term deposits on the date of the acquisition
- In 2009, the Government commissioned NERA Economic Consulting to conduct a valuation of BTL at the point of nationalization for the purposes of agreeing the amount of compensation due to the former BTL shareholders. This exercise valued each BTL share at BZ\$1.46, implying an equity value of BZ\$72.3 million for the company
- Following the passage of the Belize Telecommunications (Amendment) Act of 2011, BTL was renationalized by the Government in July 2011. In October of that year, the Government made a formal offer to the former shareholders of BTL based on the NERA Economic Consulting valuation
- In August 2011, the former BTL shareholders submitted a compensation claim based on a separate external valuation. This claim is for an amount that is significantly higher than the offer extended by the Government in October 2011. A formal response to the Government's offer is still awaited
- The former owners of BTL have also contested the nationalization in a legal proceeding brought in the Belize Supreme Court (which is the trial court in Belize). On June 11, 2012, the Supreme Court of Belize issued a decision partially accepting certain claims of the former owners of BTL, while dismissing the balance of those claims. Appeals by one or both of the parties may follow
- In parallel, the former owners of BTL and the Government have recently begun discussions aimed at agreeing an appropriate level of compensation

## BACKGROUND TO NATIONALIZATIONS

### Belize Electricity Limited (BEL)

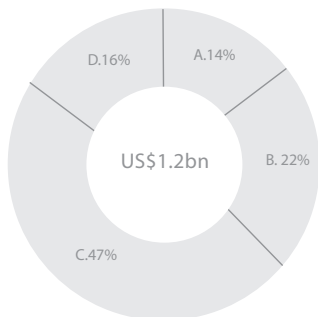
*Belize Electricity Limited is the primary distributor of electricity in Belize, serving a customer base of approximately 77,000 accounts. The company's predecessor was established in 1950 as a state-owned entity*

- BEL's privatization process began in 1992, and unfolded in stages. Beginning in 1999, Fortis Inc., a Canadian power company, acquired a stake of just over 70% in BEL, with the remaining equity held by the Social Security Board
- In June 2011, the Government nationalized BEL under the Belize Electricity (Amended) Act of 2011. The Act requires the Government to pay reasonable compensation to persons whose property has been acquired by the Government in the public interest and in order to maintain a reliable and uninterrupted supply of electricity to the public. If public finances do not allow for compensation to be paid immediately upon settlement, the Government may pay the compensation over a period of five years from the point of settlement, with interest accruing at a rate equivalent to that paid by commercial banks on fixed-term deposits on the date of the acquisition
- In June 2011, the Government commissioned NERA Economic Consulting to conduct a valuation of BEL at the point of nationalization. This exercise valued BEL shares at BZ\$1.54, implying an equity value of BZ\$106.3 million for the company. In January 2012, the Government made an offer to Fortis Inc. based on this valuation
- Fortis Inc. has appointed an external firm to undertake a valuation and submitted a formal claim for compensation to the Government. This claim is significantly larger than the offer made by the Government earlier this year on the basis of the NERA Economic Consulting valuation
- Fortis Inc. has also contested the nationalization in a legal proceeding within the jurisdiction of the courts of Belize, and this litigation is ongoing
- In parallel, Fortis Inc. and the Government have recently begun discussions aimed at agreeing an appropriate level of compensation

# PUBLIC DEBT

## Recorded Public Debt

Chart 10: Recorded Public Debt  
As of end-April 2012, Figures in US\$mn



A. Bilateral	170
B. Multilateral	264
C. External Commercial	554
D. T-Bills & Other Domestic	194
<b>TOTAL</b>	<b>1,182</b>

Source: GoB, CBB

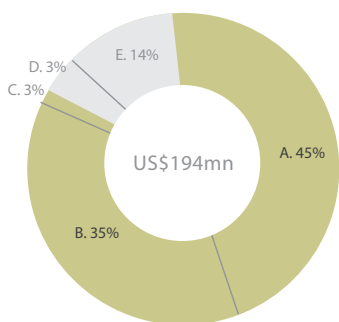
Belize's recorded public debt has remained relatively steady as a share of GDP over the past five years due to strong fiscal restraint and positive, if weak, economic expansion

- The only Central Government borrowing to have taken place since the 2007 restructuring has been domestic, or has taken the form of external borrowing on concessional terms from official sources

- As of end-April 2012, of the recorded public debt, 47% was classified as commercial, 22% multilateral, 14% official bilateral, and 16% as T-bills and other domestic (See Chart 10)

- The US Dollar bond due 2029 is the single largest debt instrument within the recorded public debt stock, accounting for 46% of the overall recorded public debt and 99% of the external commercial category

Chart 11: T-Bills & Other Domestic Debt  
As of end-April 2012, Figures in US\$mn



### Marketable Securities

A. T-Bills	88
B. Treasury Notes	68
C. Defence Bonds	5

### Other Instruments

D. Loans	6
E. Central Bank Advances	28

**TOTAL** 194

Source: GoB, CBB

- As of end-April 2012, 83% of the domestic debt stock was in the form of marketable securities (See Chart 11); the CBB held 43% of this stock

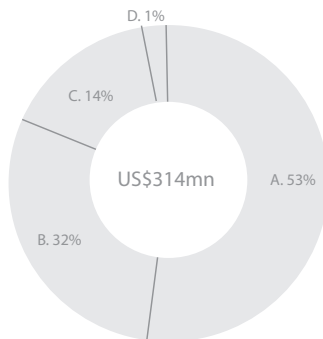
- Assuming domestic instruments are rolled over, the debt service profile of the recorded public debt is dominated by the maturities due on the US Dollar bond, which amounts to 36% of GDP

## PUBLIC DEBT (cont)

### Additional Liabilities

Chart 12: Additional Liabilities

As of end-April 2012, Figures in US\$mn



A. Belize Telemedia Ltd (Mid-Point)	168
B. Belize Electricity Ltd (Mid-Point)	100
C. Land Claims	43
D. NEWCO Arbitration Award	4
<b>TOTAL</b>	<b>314</b>

Source: GoB, CBB

A true assessment of Belize's overall level of public indebtedness must factor in the Additional Liabilities together with the recorded public debt; the compensation due on account of the BTL and BEL nationalizations form the bulk of the Additional Liabilities, although other liabilities are also included

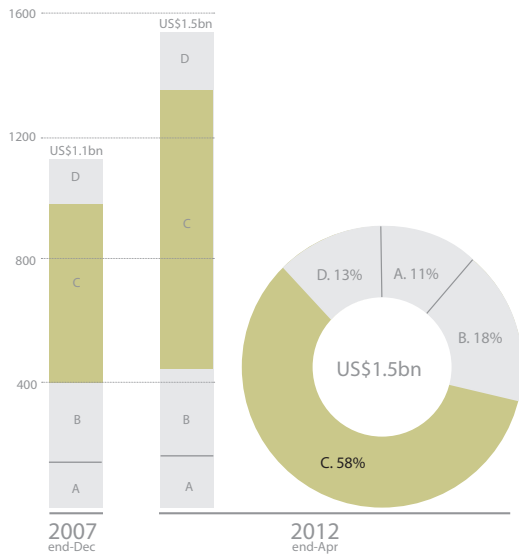
- The different valuations for BTL and BEL commissioned by the Government (from NERA Economic Consulting) on the one hand and by the former shareholders on the other—plus accrued interest at the mandated rates from the points of nationalization—result in a wide range of additional projected debt values:
  - Claimant Level: above US\$450 million
  - Government Offer Level: below US\$85 million
- For the demonstration purposes in this presentation, the Government has used a midpoint level (Mid-Point) of approximately US\$270 million for inclusion in its estimated total public debt stock at end-April 2012 on account of the outstanding BTL/BEL nationalization compensation (See Chart 12)
- Also included in the Additional Liabilities is the estimated amount (US\$43 million) that is due to former landowners on account of the land acquisitions that the Government has been making for public purposes since 1980; although the authorities have broadly been able to keep up with the interest payments due on this debt, there is now a need for the Government to address the amount owed for the land acquisitions
- A small arbitration award (US\$4 million) due on account of a terminated airport concession is also included in the Additional Liabilities

## PUBLIC DEBT (cont)

### Total Public Debt

Chart 13: Estimated Total Public Debt<sup>(1)</sup>

As of end-2007 and end-April 2012, Figures in US\$mn



Stock as of end-April 2012, US\$mn

A. Bilateral	170
B. Multilateral	264
C. External Commercial <sup>(1)</sup>	869
D. T-Bills & Other Domestic	194
<b>TOTAL</b>	<b>1,497</b>

Source: GoB, CBB

(1) Includes the Additional Liabilities, with BTL / BEL compensation at Mid-Point

The total public debt of Belize is considerably higher than the recorded public debt on account of the Additional Liabilities discussed on the preceding page (See Chart 13):

- The Additional Liabilities have a material impact on the debt-to-GDP ratio as well as on the debt service obligations which are likely to face the country; using the Mid-Point assumption for the BTL/BEL compensation component of the Additional Liabilities, the estimated total public debt stands at US\$1.5 billion, or just under 100% of GDP
- Assuming these liabilities are repaid within the mandated framework (five years from settlement at the interest rates prevailing in the domestic market at the point of nationalization), the Government faces large amortizations in the 2013-2017 period, adding another 2-7% of GDP a year in repayments of principal alone, depending on the compensation amount assumption that is used

## PUBLIC DEBT (cont)

### Total Public Debt Stock

Table 1: Public and Publicly Guaranteed Debt Outstanding, 2012, 2009, and 2007<sup>(1)</sup>

Figures in US\$ million

CATEGORY	CREDITOR	2012e end-Apr	2009 end-Dec	2007 end-Dec			
MULTILATERAL		Subtotal	US\$264	Subtotal	US\$248	Subtotal	US\$229
	Inter-American Development Bank		111		103		96
	Caribbean Development Bank		117		106		89
	Other		36		39		44
OFFICIAL BILATERAL		Subtotal	US\$170	Subtotal	US\$178	Subtotal	US\$165
	Paris Club		0		3		6
	Non-Paris Club		169		175		159
EXTERNAL COMMERCIAL		Subtotal	US\$869	Subtotal	US\$563	Subtotal	US\$578
	Bonds		547		547		547
	BTL Compensation (Mid-Point)		168		-		-
	BEL Compensation (Mid-Point)		100		-		-
	Land Claims		43		-		-
	Other		11		15		31
T-BILLS AND OTHER DOMESTIC		Subtotal	US\$194	Subtotal	US\$159	Subtotal	US\$161
	T-Bills		88		50		50
	CBB Advances		28		62		54
	Other		79		46		57
<b>TOTAL</b>			<b>US\$1,497mn<sup>(1)</sup></b>		<b>US\$1,147mn</b>		<b>US\$1,133mn</b>
As % GDP			99%		85%		88%

Source: GoB, CBB

(1) Includes the Additional Liabilities, with BTL / BEL compensation at Mid-Point as detailed in the preceding page

## CONTINGENT LIABILITIES

Although not part of the recorded public debt nor the Additional Liabilities, the Government does face a number of material contingent liabilities, which it lists below for the sake of transparency and completeness:

Table 2: Public Contingent Liabilities, as of end-2011

Figures in Belize Dollar million (exchange rate = 2 Belize Dollars per US\$)

LIABILITY	AMOUNT	DESCRIPTION	CURRENT STATUS
BCB HOLDINGS AND THE BELIZE BANK	2009 London Court of International Arbitration (LCIA) award for BZ\$43.8 million, plus accrued interest	Claim for damages relating to overpayment of taxes (Belize Bank is claiming status as an exempt Public Investment Group)	Government challenges validity of damages as well as enforceability of LCIA award under local law; Supreme Court found in favor of Claimants; Government appeal being heard by Court of Appeal
BELIZE BANK	BZ\$33.5 million, plus accrued interest	Claim in relation to a 2004 guarantee issued by the Government supporting the borrowings of a private sector hospital (Universal Health Services Ltd) that has since gone into administration	Government disputes validity of guarantee; Belize Bank expected to take the case to the LCIA
BELIZE TELEMEDIA LIMITED (FORMER SHAREHOLDERS)	2009 LCIA arbitration award for BZ\$39.2 million, plus accrued interest (award has been assigned by the former BTL shareholders to Belize Social Development Ltd (BSDL))	Claim for damages arising from the Government's non-observance of the 2005 Accommodation Agreement between September 2005 and February 2009	Government challenges validity of Accommodation Agreement as well as enforceability of LCIA ruling under local law; BSDL suing for payment in US Courts; BSDL appeal against stay granted by both Belizean and US courts rejected, subject reasonable timetable for resolution being observed
<b>TOTAL</b>	<b>BZ\$116.5 million<sup>(1)</sup></b>		

Source: GoB

(1) Total excludes accrued interest



# FISCAL PROJECTIONS

## Baseline Fiscal Projections

The Government's baseline fiscal projections indicate that declining oil revenue, subdued global growth, and weak grant forecasts will, going forward, undermine the pattern of positive primary balances that has been established since 2005; this forecast assumes that expenditure growth can remain constrained despite the worsening domestic security problem and deteriorating public infrastructure

Table 3: Baseline Fiscal Projections<sup>(1)</sup>

Figures in US\$m, Fiscal Year: (1 April - 31 March)

	2011/12e	2012/13f	2013/14f	2014/15f
<b>TOTAL REVENUES AND GRANTS</b>	418	431	424	432
Recurrent Revenue	397	410	401	408
Tax Revenue	335	342	347	357
Non-Tax Revenue	62	68	53	51
Capital Revenue	4	4	4	4
Grants	17	18	19	20
-----				
<b>TOTAL EXPENDITURE</b>	434	469	482	496
Recurrent Expenditure	362	389	400	411
Primary Expenditure	312	321	330	340
Interest <sup>(1)</sup>	50	68	69	71
Capital Expenditure <sup>(1)</sup>	71	80	82	85
-----				
<b>PRIMARY BALANCE</b>	34	30	11	7
<b>OVERALL BALANCE</b>	(16)	(38)	(58)	(64)

Source: GoB

## Active Fiscal Projections

- Given its commitment to fiscal discipline and the need (also supported by Belize's international partners) to resolve the outstanding Additional Liabilities, the Government will base its budgetary projections around an active scenario in which declines in oil revenue and grants are offset by a combination of additional revenue and expenditure measures
- The active scenario assumes that reasonable compensation will be paid to the former shareholders of the nationalized utilities over a reasonable period (five years from the point of settlement); this assumption is also applied to the balance of the Additional Liabilities
- The Government is working closely with the IMF, the Inter-American Development Bank, and the Caribbean Development Bank to identify corrective fiscal measures that will not further constrain growth and which will allow the country to address the rapidly deteriorating domestic security situation

(1) Excludes interest paid on behalf of Belize Water Services (BWS), which is budgeted as a capital transfer (expenditure); excludes Additional Liabilities and debt service due by the broader public sector (other than BWS)

## FISCAL PROJECTIONS (cont)

### Financing Gap Scenarios

- Under the active scenario assumptions, but ignoring the cost of financing previous years' gaps, the Government is facing sizeable financing gaps from 2013 onwards; using the Mid-Point for the nationalization compensation amounts that the Government must pay, these gaps reach 8.0% of GDP in 2014 and decline gradually to reach 7.3% of GDP in 2017 (See Table 4)
- The forecast financing gaps remain material even when the Government Valuation Point is used to determine compensation payments, peaking at 5.2% of GDP in 2015 (See Chart 13)
- Regardless of the compensation amount assumption used, financing gaps are forecast to remain at high levels over the medium term, with a brief dip in 2018 before the amortizations due on the US Dollar bond begin in August 2019

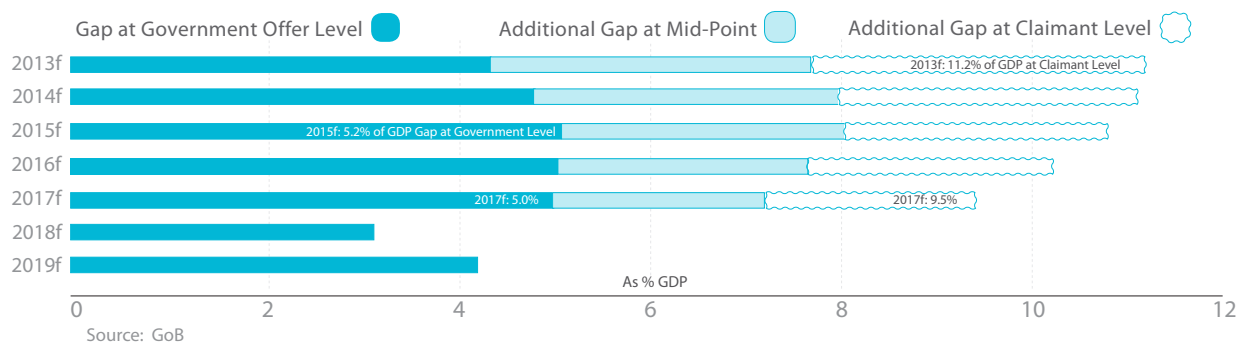
Table 4: Projected Financing Gaps (Active Scenario at Mid-Point Level for BTL/BEL Compensation)<sup>(1)(2)</sup>

Figures in US\$mn

	2013f	2014f	2015f	2016f	2017f	2018f	2019f
PRIMARY BALANCE	31	33	34	35	37	38	40
Interest	93	88	82	77	71	65	64
Scheduled	69	68	68	67	66	65	64
Additional Claims <sup>(2)</sup>	24	19	14	10	5	0	0
OVERALL BALANCE	(61)	(55)	(48)	(41)	(34)	(27)	(24)
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IDENTIFIED FINANCING (A - B)	(60)	(75)	(88)	(94)	(100)	(33)	(60)
A. Disbursements	39	27	16	11	6	5	2
B. Amortizations	99	102	104	105	106	38	61
Scheduled	34	37	39	40	40	38	61
Additional Claims <sup>(2)</sup>	65	65	65	65	65	0	0
-----							
RESIDUAL FINANCING BALANCE	(122)	(130)	(136)	(136)	(134)	(60)	(84)
<i>Residual Balance as % GDP</i>	(7.8)	(8.0)	(8.0)	(7.7)	(7.3)	(3.1)	(4.2)

Chart 13: Projected Financing Gaps (Active Scenario at Various Levels for BTL/BEL Compensation)<sup>(1)(2)</sup>

As % GDP



(1) Excludes cost of financing previous years' gaps, principal amortizations on domestic tradable debt and advances, and debt service due by the broader public sector (other than BWS)

(2) Assumes repayment of Additional Liabilities, with repayment beginning in 2013 on the basis of equal principal repayments over a five year period

## CONTACT INFORMATION



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