



*“Staying on Track”*

**BUDGET SPEECH**

**FOR**

**FISCAL YEAR 2024/2025**

*Hon. John Briceno*

*Prime Minister and Minister of Finance,*

*Economic Development and Investment,*

*Blue Economy and Civil Aviation and Immigration*

Belmopan, Belize

Friday, March 8, 2024

(Please check against delivery)

## SUMMARY OF RECURRENT AND CAPITAL BUDGETS

FOR THE FISCAL YEAR 2024/2025							
	ACTUAL OUT-TURN 2021/22	ACTUAL OUT-TURN 2022/23	APPROVED BUDGET 2023/24	PROJECTED OUT-TURN 2023/24	SUBMITTED BUDGET 2024/25	FORECAST 2025/26	FORECAST 2026/27
<b>TOTAL REVENUES AND GRANTS</b>	<b>\$1,135,762,228</b>	<b>\$1,318,513,017</b>	<b>\$1,408,268,486</b>	<b>\$1,438,756,876</b>	<b>\$1,519,112,646</b>	<b>\$1,577,616,076</b>	<b>\$1,638,979,643</b>
<b>RECURRENT REVENUE</b>	<b>\$1,092,423,297</b>	<b>\$1,283,907,107</b>	<b>\$1,372,743,486</b>	<b>\$1,418,351,075</b>	<b>\$1,483,087,646</b>	<b>\$1,542,091,076</b>	<b>\$1,603,454,643</b>
<b>TAX REVENUE</b>	<b>\$1,003,401,358</b>	<b>\$1,183,880,995</b>	<b>\$1,260,399,891</b>	<b>\$1,334,420,729</b>	<b>\$1,387,797,559</b>	<b>\$1,443,309,461</b>	<b>\$1,501,041,839</b>
INCOME & PROFITS	\$224,884,840	\$311,263,233	\$360,755,521	\$351,375,585	\$365,430,608	\$380,047,833	\$395,249,746
TAXES ON PROPERTY	\$8,610,819	\$7,872,981	\$6,764,150	\$6,898,259	\$7,174,189	\$7,461,157	\$7,759,603
TAXES ON INT'L TRADE & TRANSACTIONS	\$184,562,897	\$223,655,229	\$225,388,464	\$214,931,329	\$223,528,582	\$232,469,725	\$241,768,514
TAXES ON GOODS & SERVICES	\$585,342,802	\$641,089,552	\$667,491,756	\$761,215,557	\$791,664,179	\$823,330,746	\$856,263,976
<b>NON-TAX REVENUE</b>	<b>\$89,021,939</b>	<b>\$100,026,112</b>	<b>\$112,343,595</b>	<b>\$83,930,346</b>	<b>\$95,290,087</b>	<b>\$98,781,615</b>	<b>\$102,412,804</b>
PROPERTY INCOME	\$22,350,948	\$36,433,989	\$51,262,838	\$15,545,557	\$16,167,379	\$16,814,075	\$17,486,637
LICENCES	\$16,490,778	\$18,034,910	\$17,651,780	\$17,111,674	\$25,796,141	\$26,507,987	\$27,248,306
ROYALTIES	\$11,705,258	\$11,581,132	\$14,703,944	\$14,563,542	\$15,146,084	\$15,751,927	\$16,382,004
GOVERNMENT MINISTRIES	\$37,992,833	\$33,582,610	\$28,308,872	\$35,467,206	\$36,888,422	\$38,363,883	\$39,898,363
REPAYMENT OF OLD LOANS	\$482,122	\$393,471	\$416,161	\$1,242,366	\$1,292,061	\$1,343,744	\$1,397,493
<b>CAPITAL REVENUES:</b>	<b>\$4,642,241</b>	<b>\$6,576,470</b>	<b>\$5,525,000</b>	<b>\$6,186,780</b>	<b>\$6,025,000</b>	<b>\$6,025,000</b>	<b>\$6,025,000</b>
SALE OF EQUITY	\$32,630	\$61,700	\$25,000	\$56,248	\$25,000	\$25,000	\$25,000
SALE OF CROWN LANDS	\$4,609,611	\$6,514,770	\$5,500,000	\$6,130,532	\$6,000,000	\$6,000,000	\$6,000,000
<b>GRANTS</b>	<b>\$38,696,690</b>	<b>\$28,029,440</b>	<b>\$30,000,000</b>	<b>\$14,219,021</b>	<b>\$30,000,000</b>	<b>\$29,500,000</b>	<b>\$29,500,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,201,404,522</b>	<b>\$1,323,176,054</b>	<b>\$1,496,282,272</b>	<b>\$1,498,842,266</b>	<b>\$1,604,954,840</b>	<b>\$1,611,186,803</b>	<b>\$1,630,478,888</b>
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>\$939,059,612</b>	<b>\$1,027,264,261</b>	<b>\$1,112,855,462</b>	<b>\$1,120,629,824</b>	<b>\$1,174,225,247</b>	<b>\$1,198,167,552</b>	<b>\$1,205,272,570</b>
PERSONAL EMOLUMENTS	\$413,262,438	\$449,470,017	\$466,546,896	\$465,750,350	\$476,796,000	\$480,324,727	\$481,575,240
PENSIONS & EX-GRATIA	\$98,348,281	\$96,757,812	\$100,000,008	\$103,000,000	\$110,059,545	\$111,859,545	\$113,559,545
GOODS & SERVICES	\$209,731,952	\$211,054,048	\$227,453,462	\$243,521,866	\$290,823,592	\$286,721,893	\$285,915,215
SUBSIDIES AND CURRENT TRANSFERS	\$153,315,462	\$170,032,583	\$206,369,928	\$172,948,769	\$180,121,110	\$179,261,387	\$178,883,570
DEBT SERVICE-INTEREST & OTHER CHARGES	\$64,401,478	\$99,949,801	\$112,485,168	\$135,408,839	\$116,425,000	\$140,000,000	\$145,339,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$262,344,910</b>	<b>\$295,911,793</b>	<b>\$383,426,810</b>	<b>\$378,212,442</b>	<b>\$430,729,592</b>	<b>\$413,019,251</b>	<b>\$425,206,318</b>
CAPITAL II EXPENDITURES	\$151,683,606	\$194,325,498	\$218,124,540	\$257,074,288	\$276,848,480	\$265,720,185	\$270,994,173
CAPITAL III EXPENDITURES	\$103,854,831	\$100,993,636	\$158,003,646	\$118,839,530	\$146,582,489	\$140,000,443	\$146,913,521
CAPITAL TRANSFER & NET LENDING	\$6,806,473	\$592,660	\$7,298,624	\$2,298,624	\$7,298,624	\$7,298,624	\$7,298,624
<b>RECURRENT SURPLUS/(DEFICIT)</b>	<b>\$153,363,686</b>	<b>\$256,642,847</b>	<b>\$259,888,024</b>	<b>\$297,721,251</b>	<b>\$308,862,398</b>	<b>\$343,923,525</b>	<b>\$398,182,073</b>
PRIMARY SURPLUS/(DEFICIT)	-\$1,240,815	\$95,286,764	\$24,471,382	\$75,323,449	\$30,582,806	\$106,429,273	\$153,839,755
OVERALL SURPLUS/(DEFICIT)	-\$65,642,294	-\$4,663,037	-\$88,013,786	-\$60,085,390	-\$85,842,194	-\$33,570,727	\$8,500,755
<b>AMORTIZATION</b>	<b>-\$65,016,295</b>	<b>-\$97,471,635</b>	<b>-\$122,793,840</b>	<b>-\$126,852,409</b>	<b>-\$130,000,000</b>	<b>-\$150,000,000</b>	<b>-\$150,000,000</b>
<b>FINANCING</b>	<b>-\$130,658,589</b>	<b>-\$102,134,672</b>	<b>-\$210,807,626</b>	<b>-\$186,937,799</b>	<b>-\$215,842,194</b>	<b>-\$183,570,727</b>	<b>-\$141,499,245</b>
<b>GDP (in billions of Bz) (Current prices)</b>	<b>3.707</b>	<b>3.948</b>	<b>6.253</b>	<b>6.178</b>	<b>6.592</b>	<b>6.912</b>	<b>7.177</b>
<b>OVERALL SURPLUS/DEFICIT AS % OF GDP</b>	<b>-1.77%</b>	<b>-0.12%</b>	<b>-1.41%</b>	<b>-0.97%</b>	<b>-1.30%</b>	<b>-0.49%</b>	<b>0.12%</b>
<b>PRIMARY SURPLUS/DEFICIT AS % OF GDP</b>	<b>-0.03%</b>	<b>2.41%</b>	<b>0.39%</b>	<b>1.22%</b>	<b>0.46%</b>	<b>1.54%</b>	<b>2.14%</b>

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## **I – Introduction:**

Madam Speaker,

I rise to present to this House and to the Nation, a performance report on the public finances and the Belizean economy for the Fiscal Year 2023/24, and to present the National Budget proposals for the new Fiscal Year starting April 1, 2024 through March 31, 2025.

Today’s performance report, quite by coincidence, comes at an opportune moment.

A few days ago, on February 27, 2024, the International Monetary Fund (IMF) issued a Staff Concluding Statement following their annual review of Government’s fiscal accounts and economic performance. That review is commonly referred to as the Article IV Mission during which IMF experts meet extensively with both public and private sector representatives.

Those of us on this side of the House are especially pleased with the IMF report – not because we agree with IMF philosophy as such, but because, on the basis of timing and status, their report provides independent verification that the policies pursued by this Administration are yielding unprecedented results for the Belizean people. The IMF Statement confirms that this Administration is on the right track.

Let us start with economic growth: the Statement projects 2023 economic expansion of 4.5 percent, on the heels of 8.7 percent growth in 2022 and 17.9 percent growth in 2021.

These rates of growth average 10.4 percent over the last 3 years.

Real GDP, the Statement asserts, was 16 percent above pre-pandemic levels.

Then there is the employment picture for the 183 thousand-strong labor force. Unemployment has declined from 14 percent in 2020 to 3.4 percent in 2023. In other words, for every 100 persons seeking a job, between 96 and 97 have been able to find some form of paid work.

The IMF Statement reports that the public debt now stands at 66 percent of GDP.

When this Administration took office, the debt was as high as 132 percent of GDP, so in just over 3 years, we have literally cut in half what the country owes, as a percentage of annual GDP.

Inflation – the increase in consumer prices – fell in 2023 to 4.4 percent, down from 6.3 percent in 2022.

And crucially, the primary budget balance, according to the IMF, remains a positive point eight percent of GDP, positive for the third consecutive year since this Government took office.

What is equally impressive, Madam Speaker, is the IMF's forward-looking projections: they expect Belize GDP to expand by 3.5 percent this year; they expect "the unemployment rate to stay at 3.4 percent over the medium term as the economy remains at full employment;" they expect inflation to come down further to 3.1 percent and to 1.3 percent over the medium term; they project further reduction in the debt to GDP ratio, falling below 60 percent in 2028; and they expect a positive primary balance for the national budget in each of the next five years.

So there you have it, Madam Speaker.

2023 was an outstanding year for the public finances and for the economy.

And the world's foremost Multilateral Examiner projects that Belize is on a path to ongoing prosperity, prolonged full employment, lower inflation and public debt, with a strong Belize dollar underpinning sustainable budget cycles into the medium term.

There is no precedent, I daresay, in the almost 43 years history of the independent Belize that so much has been achieved in 3 short years, and that the future augurs such confidence, stability and progress.

This IMF Statement, this national report card of sorts, offers a felicitous stage from which I can now set out in more detail Belize's overall 2023 performance, and the exhilarating plans for the new Budget Year.

## II – Global and Regional Conditions:

During 2023, global economic growth slowed but remained resilient amidst multiple headwinds, including the Russia-Ukraine war, higher cost-of-living, tighter financial conditions, and extreme weather events.

The IMF projected that global economic activity slowed to 3.0 percent in 2023 from 3.5 percent in 2022.

For 2024, the IMF expects global growth to remain steady at 3.1 percent.

Global inflation, a critical concern in these post-COVID years, is expected to ease during 2024 due to resolved supply-side issues and still-tight monetary policies. However, the threat of new commodity price spikes still looms, owing to continued geopolitical tensions and possible weather shocks.

According to the Caribbean Development Bank, economic growth in the Caribbean region also slowed in 2023, growing by 5.7 percent compared to 10.3 percent in 2022. This figure, an average for the region, is severely bloated by Guyana's 40 percent growth rate, fuelled by that country's petroleum bonanza.

Despite the ongoing tourism recovery, the regional deceleration was mainly attributed to spill over effects from a weaker external environment and the impact of natural disasters. Growth projections for the region indicate an acceleration to 7.6 percent in 2024, again in no small part due to Guyana's 35 percent projected growth, and supported by the robust post-pandemic rebound in tourism and moderate increases in remittance flows to the region.

Latin America's collective economy expanded by a modest 2.2 percent in 2023 and is expected to grow by a meagre 1.9 percent in 2024.

Petroleum is such a critical commodity since Belize imports the entirety of our needs. We must therefore keep constant sight of its price volatility. The average cost of a barrel of oil in 2023 was US\$77.64, approximately US\$17 dollars less than 2022. Unfortunately, the 2024 projected price per barrel is \$82, which will be 6 percent higher than last year.

### III - Fiscal Year 2023/2024 Budget Outturn

Let me now set out the performance of the National Budget for the current Fiscal Year 2023/24.

For the 12-month period ending March 31, 2024, Government expects total revenue and grants of \$1.439 billion, which is some \$29.7 million higher than approved by the National Assembly.

Revenue sub-categories are projected as follows: Recurrent Revenues of \$1.418 billion, Capital Revenues of \$6.2 million and Grants of \$14.1 million.

Government expects Total Expenditures of \$1.498 billion in this Fiscal Year with Recurrent Expenditures of \$1.12 billion, Capital Expenditures of \$378.2 million and Amortization Payments of \$126.8 million.

The financing necessary for this Budget Year is expected to total \$186.9 million.

Assessing the revenue outturn, the major overperformer will be collections based on Good and Services which exceeded the budgeted amount by \$94 million or 14 percent.

On the expenditure side, performance was largely consistent with budgeted levels with the notable exception of the costs for Good and Services, which exceeded budget levels by about \$16 million or 7 percent.

The primary surplus for the fiscal year is projected at \$75.3 million or 1.22 percent of GDP, significantly better than the \$24.5 million originally programmed.

The overall deficit in dollar terms is \$60 million, representing 0.97 percent of GDP.

One of the complaints I have heard most often while visiting Belizeans is the increase in the cost of living or inflation.

As I mentioned earlier, the projection is for inflation to level off, and at least not outpace increases in wages.

The inescapable fact is that domestic purchasing power has been eroded by an increase in international prices. This is an issue that Cabinet has grappled with constantly.

I have listened to the anguish of Belizeans on this issue, and I understand their frustration. The dollar is not stretching the way it used to. But this is not the fault of Government. A recent in-depth analysis commissioned by Government shows that three quarters of the price increases Belizeans endure come from imports. For example, Government has no control over the cost of flour, or fertilizer, or a barrel of petroleum, or steel for construction. Nor do we have control over the cost of shipping containers to Belize.

What we have done to combat inflation is to put more money in the pockets of hourly wage workers – 42,965 workers have received a \$1.70 or 51 percent per hour salary increase by the recent raising of the minimum wage to \$5 per hour.

And we have cracked down on price gouging by greedy merchants. For example, as recently as Feb 28, 35 businesses in San Pedro and Caye Caulker were handed citations by the Supplies Control Unit for pricing violations. This campaign will continue. As will our campaign to buy Belizean products, to make this country more self-sufficient.

Cabinet and I will continue to take every step possible to control the erosion of the purchasing power of the Belize dollar.



## IV - The Public Debt:

According to the IMF Statement, as I highlighted in my introduction, the public debt stood at 66.3 percent of GDP, or some \$4.335 billion. Never should we abstain from the memory of where this Administration met the public debt: 132 percent at its peak in 2020, with the then UDP Government borrowing a million dollars a day just to meet the salaries of public officers.

Today, the debt is projected to stand at 58 percent of GDP in 2029.

And it was this Government's good credit standing that allowed us to access the financing in 2023 to purchase the Port of Belize and return that prized asset to public ownership.

That decisive move resulted in a rise in the domestic debt to \$1.508 billion.

External debt at the close of 2023 stood at \$2.832 billion.

In 2023, Government paid \$101.1 million in interest payments and almost an identical amount - \$100.7 million – in principal repayments.

There are two very important debt conditions to highlight: first, the effective interest rate on the public debt is 2.3 percent, a rate that by any measure is spectacularly low. This low rate is not a stroke of luck. It is the result of prudent borrowing from only the most concessionary sources, namely multilateral and bilateral lenders. This Government has recoiled from any form of commercial borrowing, conscious always of minimizing the price attendant to public loans.

Because of this diligence, interest payment on the public debt are not projected to exceed 2.2 percent of GDP well into the next decade. For emphasis, consider that the US spent 2.4 percent of its GDP on debt interest in 2023. 4.4 percent in the case of the United Kingdom. 5 percent for Jamaica in FY 22/23.

The second notable condition is that interest payment in 2023 represented 7 cents of every dollar of revenue and grants. That figure is 17 cents in the US for 2024. 10 cents for the UK. 13 cents in Jamaica.

The following examples of 2023 loan inflows reflect the highly cautious nature of this Administration's borrowing approach: \$95 million from traditional multilateral lenders such as the IDB, the CDB and the World Bank; \$86 million in loans and grants from the Republic of China, Taiwan (ROCT); and \$4 million from the Kuwaiti Fund.

Many advances were achieved in 2023 by our teams at the Ministry of Finance and Economic Development but one breakthrough demands special mention: Belize's eligibility for accessing funds from the International Development Association (IDA), under the World Bank umbrella.

Only a few weeks ago, Belize's application for a Small Island Economies Exception was approved on February 14, 2024, after 2 years of non-stop lobbying and canvassing, at the ownership, board and management levels. Belize IDA borrowing allocation is immediately US\$22 million, with the potential to increase to US\$67 million over a three year period, with exceptional terms of 40 year repayment period, a 10 year grace and annual service charge of point seventy-five percent.

I commend the perseverance of Minister Chris Coxe and his supporting cast for this great achievement.

## V – Financial Sector Developments and Real Sector Outlook:

### Financial Sector Developments

We do not nor should we should take for granted the stability of our financial sector.

The strength of our Belize dollar, a 2 to 1 US dollar peg established and defended since 1976 is the solid rock upon which our country's economic and fiscal edifice resides.

2023 ended with Central Bank reserves of \$947 million, or 4.1 months of import cover, well beyond the 3-month recommended reserve level. The current account deficit contracted to 4.5 percent of GDP in 2023, because of record-high tourism flows into the banking system, along with lower international shipping costs and the slowdown in profit outflows.

The expansion in money balances accelerated in 2023, with broad money supply growing by 7.1 percent following increases in the domestic and foreign assets of the domestic banking system, and increased lending. On the domestic front, the banking systems' lending grew by 12.1 percent, while net holdings of foreign assets rose by 5.3 percent.

Domestic banks increased their liquid asset holdings in 2023, retaining larger amounts of currency to meet consumer demand and maintaining higher deposits with the Central Bank. Accordingly, overall excess liquidity rose by \$41.2 million to \$744.1 million, 91.6 percent above requirements, while excess cash liquidity stood 202.8 percent above the required level at \$509.8 million.

The weighted average interest rates on new loans and deposits diverged over the calendar year, with the weighted average rate charged on loans rising by 14 basis points to 8.64 percent, while the corresponding rate on deposits fell by 22 basis points to 1.80 percent. As a result, the weighted average interest spread, regrettably, widened by 36 basis points to 6.88 percent.

If I may again cite the recent IMF Report: “the financial soundness indicators strengthened in 2023. Between 2022 and 2023, the domestic banks' regulatory capital rose from 15.1 percent of risk weighted assets to 16.1 percent; non-performing loans fell from 6.9 percent of total loans to 5.2 percent and returns on assets rose from 0.3 percent to 1.5 percent.”

Several major Financial System Modernization Initiatives spearheaded by the CBB are worthy of mention: first, the National Financial Inclusion Strategy, which aims to equip every individual and enterprise with accessible, quality, and affordable financial services.

In 2023, connection of the Shared Services Network (SSN) to the Automated Payment and Securities Settlement System (APSSS) was effected. This allows for easier flow of payments among banks and credit unions and expanded services to credit union members. Simplified customer due diligence guidelines was put in place. And the Credit Reporting System (CRS) project was restarted.

Second, The Central Bank started a project with the World Bank to broaden the financial ecosystem and enhance the modes for payments 24-7-365. The project will facilitate immediate availability of funds to the beneficiary, which will include individuals, businesses (e-commerce), or government agencies.

And third, the Central Bank is engaged in evaluating the requirements for structural reform and modernization of the foreign exchange (FX) regulatory framework and strengthening the FX system under the fixed exchange rate regime. Modernizing the Exchange Control Regulations aims to ensure regulatory clarity, transparency, and consistency while aligning with international best practices.

## **Real Sector Outlook**

It is noteworthy that the Central Bank’s economists entertain an even more positive economic outlook for 2024. Accordingly, the Bank’s GDP projection for 2024 is more optimistic based on past performance. This solid growth level will be propped up by a full recovery in stay-over tourist arrivals to pre-pandemic levels, a resurgence in agricultural production, and renewed manufacturing activity.

The primary sector is expected to grow by 4.1 percent, improving markedly over 2023’s outturn. Agricultural production will see a pronounced upturn due to enhancements in husbandry practices, the expectation of near normal weather patterns, and continued expansion in non-traditional commodities. Specifically, banana production will rebound as the industry reigns in the spread of Black Sigatoka disease, while added contributions from the western mill will boost growth in sugarcane deliveries.

Secondary sector activity is projected to grow by 4.7 percent, following rebounds in manufacturing and construction output. Benefiting from enhanced agro-processing activities, beverage, and food production, manufacturing is projected to rebound sharply from a contraction in 2023 to a 3.0 percent growth rate in 2024. Similarly, heightened importation of building materials, and institutional lending will prop up construction activity. Lastly, recovery from the previous year's downturn in domestic electricity production will support strong growth, further contributing to secondary sector growth.

The tertiary sector is forecasted to grow by a healthy 4.5 percent, as total stay-over arrivals for the year are projected to surpass the 2019 pre-pandemic level. The continued growth in tourism will contribute heavily to growth in the transportation, accommodation, and retail trade subindustries.

Private sector activity is projected to expand, with Business Process Outsourcing remaining a main contributor to growth.

## **VI - Fiscal Year 2024/2025 Budget Proposal:**

Heartened by these glowing expectations, I will now outline the estimates of revenues and expenditures for the new Fiscal Year 2024/25.

Let me emphasize at the outset, that once again, as has been the case for the last three National Budgets, there are no new taxes in this Budget.

The Ministry of Finance proposes total revenues and grants of \$1.519 billion comprised of tax revenues of \$1.387 billion, non-tax revenues of \$95.29 million, and capital revenues of \$6.025 million and Grants of \$30 million

Revenues are comprised of :

- (1) collections on goods and services -\$791.66 million;
- (2) collections on income and profits - \$365.43 million;
- (3) collections on international trade and transactions accounting - \$223.53 million;
- (4) and collections on property accounting - \$7.17 million.

On the expenditure side, a total of \$1.605 billion is proposed. Of this sum, \$1.174 billion will be recurrent spending covering wages, pensions, goods and services, subsidies and transfers and debt service interest costs.

In addition to recurrent costs, \$430.73 million is programmed for capital investments during the new Fiscal Year, of which some \$146.58 million are so called Capital 3 funding, drawn down from the various loans and grants already approved.

\$130 million is the amount projected for amortization payments; that is, the repayment of principal on loans already contracted.

The primary surplus is projected at \$30.582 million or 0.46 percent of GDP while the overall deficit is projected at \$85.842 million or 1.3 percent of GDP.

For Belizeans to better understand the purpose of each dollar Government spends, allow me to give this account of the proposed spending:

30 cents of every dollar will be for the wages of public officers;

7 cents of every dollar for public officer pensions;

18 cents of every dollars for operational costs to government, such as utilities and transportation;

7 cents for interest on loans;

And the remaining 27 cents for capital expenditures which includes the funding of all projects and programs undertaken by Government.

Effectively, therefore, 73 cents of every dollars simply keeps the machinery of governance running and only 27 cents of every dollar is available for programs and projects.

I should point out that when this Administration took office, the percentage of total spending available for programs and projects was at 23 cents on the dollar spent. In just 3 years, we have managed to shrink Government's operating costs by more than 5 percent, allowing more money to finance direct programs and projects that will benefit the people.

As is tradition, Madam Speaker, Members will have the opportunity to debate the budget proposals in granular form, and so I shall refrain from stealing their thunder, with the following exception: I will highlight some of the larger capital projects, outline the program pipeline and provide a more substantive description of our initiatives in the arena of healthcare and education.

## **VII – Allocations for Health Care and Education**

These two functions – healthcare and education - are arguably foremost for our Government, absorbing a preferential slice of the fiscal pie, and thus demand a deeper level of illustration.

### **Health and Wellness**

Among the highest core priorities for this Administration is the provision of health and wellness care and services. Based on this conviction, so many massive investments are being made across the public health care system. These investments include, for example, CABEI’s funding of a modernization assessment of hospitals in Punta Gorda, Orange Walk Town and Belize City. This needs assessment will be followed by project financing to implement the modernization projects.

Only last week, I broke ground, accompanied by the Area Representative and Mayor, for the new hospital in San Pedro, Ambergris Caye, where, through the cooperative program with the ROCT, Government will investment \$33.4 million in a first class, 45 bed, fully equipped hospital facility.

And then there is the \$90 million this Administration has secured in concessionary funding from the Saudi Fund for Development for the construction of a tertiary care hospital here in Belmopan. The selection process for the design and supervision of the new facility will be completed by the end of this month and a contract signed in April of this year.

And this focus by Government has itself inspired a torrent of private sector healthcare investments, to the tune of tens of millions and hundreds of high-paying jobs. Expansions to Belize Medical Associates and Health Care Partners in Belize City and the recently inaugurated Hope Hospital in San Pedro exemplify these expansions.

Perhaps the public healthcare program with the greatest potential impact for citizen wellness is the National Health Insurance (NHI) Program. I am thoroughly elated that the NHI program, having been piloted on the Southside of Belize City, and then the Southern region, has now been expanded to the Orange Walk District, where 20,000 Orange Walkenos have registered with the three Primary Care Providers that have been contracted.



These Primary Care Providers in Orange Walk will be supported by six laboratories, two imaging providers and three pharmacies, all ensuring that our citizens receive optimal care.

And this year, the NHI Committee proposes expanding the program to the North Side of Belize City where an estimated 65,000 citizens will be eligible for services under the NHI care shield.

All-together, NHI funding for the FY 2024/25 will total \$35 million, encompassing the geographic areas of Corozal, Orange Walk, North and South-side Belize City and the Southern Region. And we recommit, that the Western Regions and the larger Cayes and all areas of the country not currently covered by the NHI will be brought under this umbrella by this PUP Administration.

Health is wealth, as the old adage counsels. Wealth for families, wealth for communities and wealth for the nation.

## **Education**

Complementing healthcare as a core responsibility of a compassionate State is the design and management of the education system. Yes, there has been a jobs bonanza, almost full employment for those who seek jobs. But our education system must prepare the society for tomorrow, even as it strives to meet the daunting challenges of today.

Our Ministry of Education is therefore embracing far-reaching reforms. The Minister, his Team and I hope all stakeholders, recognize that the current legal framework governing the education sector is over a decade old. This year's education budget will specifically cater to the imperative task of conducting a comprehensive review and revision of existing education legislation, regulations, and policies. This encompasses a thorough examination of frameworks governing education councils, commissions, and boards, with the overarching objective of reforming the system to address the evolving requirements of Belize's educational landscape.

There is also the recent extension of the compulsory school age which aligns seamlessly with the Ministry's objective of broadening access to education, particularly through initiatives like the Education Upliftment Project: “Together We Rise”.

The Upliftment Project currently targets intervention and support to 9 government-owned secondary schools catering for approximately 3,174 students. These include: Gwen Lizarraga, Excelsior, Maud Williams, Sadie Vernon Technical, The Agriculture and Natural Resource Institute, Delille Academy, Georgetown Technical, Corazon Creek Technical and Toledo Community College

The reality is that families from lower socio-economic backgrounds encounter challenges in meeting the financial demands associated with their children's education. This difficulty significantly contributes to declining enrollment rates, high dropout rates, and poor student retention. The Upliftment Project seeks to alleviate these burdens by providing essential support such as meals, uniforms, footwear, school supplies, textbooks, transportation assistance, and coverage of school fees.

The Program will enable the Ministry to inform policy decisions, mitigate dropout rates, bolster completion rates, enhance human resource capabilities, elevate transition rates, and, possibly most importantly, alleviate poverty levels by reducing unemployment.

In the budget 2024-2025, Government plans to add 12 additional secondary schools to the Program, increasing coverage to a target of 6,000 additional students. This expansion will include 9 government schools and 3 government-aided schools.

Our outreach to 21 schools will have a meaningful impact on an anticipated 9,526 of 22,051 secondary school students (43.2 percent). The expansion of the Education Upliftment Project: “Together We Rise” will require an investment of \$10.6 million, representing an estimated increase of \$6.6 million from 2023-2024.

The 12 additional schools include Belize Rural High, Ladyville Technical High, San Pedro High, Belmopan Comprehensive, Mopan Technical High, Valley of Peace SDA Academy, Chunox St. Viator Vocational High, Escuela Secundaria Tecnica Mexico, Belize High School of Agriculture, Orange Walk Technical, Bella Vista Government Secondary and Julian Cho Technical High Schools.

Education reform and targeted assistance to disadvantaged students are important. But equally important for the transformative change we seek is revitalisation of the curriculum framework. It's not just about the chance to learn but the chance to learn the right lessons.

This Administration has facilitated the full rollout of its national curriculum reform, embracing a competency-based education framework for both primary and secondary education levels. The National Curriculum Framework (NCF) was successfully implemented by the academic year 2023-2024 after extensive consultations on the curriculum involving various education stakeholders such as teachers, school leaders, managers, MoECST personnel, and other partners such as the BNTU, Pathlight International, UNICEF, and The Love Foundation. A National Preschool Curriculum Framework has also been unveiled.

The primary aim of the NCF is to facilitate the comprehensive development of 21st-century literacy, numeracy, technological, and critical thinking proficiencies. The 2024-2025 budget will primarily address the development of relevant national assessments aligned with the NCF at the pre-primary, primary, and secondary levels.

Salary and Service Benefits for Teachers at grant-aided school. Aligned with the objective of Teacher Development - Elevating the Profession, the GOB commits to assuming full responsibility for the payment of 100 percent salary and service benefits for all government-aided secondary and tertiary teachers and support staff, effective from 2024. This commitment will directly benefit over 900 teachers at the secondary and tertiary levels, as well as more than 175 support staff. The budget allocated for the fiscal year 2024-2025 will witness an increase in salary and service benefits, amounting to approximately \$14 million, resulting in a total expenditure of over \$220 million on teacher and support staff salaries and service benefits over the next five years (to cover all teaching and support staff of government and government-aided secondary and tertiary institutions). Government aims to incentivize quality teaching practices, implement Results-Based Education, and ensure proper accountability among all secondary and tertiary institutions and their staff.

Government's National Healthy Start Feeding Programme is doing wonders in reducing hunger in the classrooms. Along with its donor partners, especially the ROCT, the National Healthy Start Feeding

Programme caters healthy meals for 4,000 primary school students from 35 schools and 2,967 secondary school students from 9 schools.

These figures equal an investment of around \$20,000.00 per day in meals. The number of beneficiaries keeps increasing throughout the year, and it is expected that by the end of the academic period in June 2023-2024, the NHSFP should cover at least 50 primary schools, thus substantially increasing the expenditure in meals per day.

In the 2024-2025 budget, the Feeding Program will cover 12 additional secondary schools with an estimated enrollment of 5,950 students.

Government provides transportation for thousands of students, every day of the school year. 258 official bus runs operate nationwide, representing an investment of \$1 million per month in facilitating student transportation.

Finally, to address the growing demand for increased access to Science, Technology, Engineering, Arts, and Mathematics (STEAM) training, the Itz'at STEAM Academy (ISA), a government-owned secondary institution, opened its doors to 64 First Form students and 9 teaching staff in September 2023. This unique Academy delivers value driven, competency-based programs, and problem-based approaches to build knowledge in STEAM. ISA offers a high school diploma with key subject concentrations in areas such as Sustainable Development Projects, Digital Arts/Fine Arts, and Science and Technology, along with other subjects from the National Curriculum at the secondary level.

The target for 2026 is to have a population of 300 students across all form levels. The 2024-25 budget will, therefore, cater to the financial needs of the Academy as the GOB will fully compensate all employed teaching and staff support. Most importantly, although Itz'at Academy offers unique STEAM training which is typically quite expensive, the MoECST has ensured that this high quality education is affordable and accessible by subsidizing the cost and making it comparable to the cost of government-owned secondary schools at around \$550.00 per year.

## VIII – Capital Program Highlights for New Budget

First, then, to a sampling of the principal capital projects that animate this year’s public investment program, in consonance with Belize’s Medium Term Development Strategy as well as the overarching goals of Plan Belize:

- \$35 million to fund the continued expansion of the NHI
- \$3.5 million for hemodialysis support programs
- \$21 million to help fund the growing payables related to UDP land acquisitions
- \$10 million for the repair and maintenance of major highways
- \$7.5 million to support the ongoing expansion of solid waste transfer stations
- \$6 million for low income homes and housing repairs
- \$5.7 million for another phase of the PSW Goldson Highway rehabilitation
- \$4 million for the upgrading of the Guinea Grass Road
- \$5 million each for improvements to the George Price Highway from Belize City to Belmopan and San Ignacio to Benque Viejo del Carmen
- \$2 million for the Progresso Road
- \$3 million for Grocery and Food Assistance Programs
- \$2.5 million for land surveys
- \$6 million for the upgrading of rural roads and bridges
- \$3 million for village streets
- \$7 million for upgraded streets in towns and cities
- \$4 million for the Lucky Strike to Mascal Road
- \$4 million for the Anti-Violence Program
- \$1 million for additional equipment for the Police Department
- \$2.7 million for agriculture and sugar roads

These and many other activities and undertakings form the basis of the \$430.7 million that is being allocated for Capital spending in this Fiscal Year.

## IX – The Project Pipeline

The Policy, Planning and Climate Finance Units in the Ministry of Economic Development coordinate an impressive array of donors and lenders in support of building economic, environmental and social resiliency for Belize.

I wish to outline a few of the more notable aspirations, some of which occupy a current budget investment line, others soon to be endorsed by Cabinet and the Honourable House:

First, with the **World Bank**, there is the Belize Blue Economy Project. The project’s purpose is to improve Belize’s management capacity for sustainable development of its blue economy and increase access to climate resilient and sustainable water and sanitation services in targeted coastal areas. The total cost of the project is estimated at US \$15.46 million.

The project will have two substantive components. Component 1- Policy Development and Capacity Building will support three subcomponents: policy development, capacity building, and blue economy investment program. Component 2- Investments in Water, Sanitation and Waste Management, will support three subcomponents: upgrade of the Belize City Wastewater Treatment Plant (WWTP), expansion of water supply in South San Pedro, and a waste management pilot in San Pedro

Second, and also with the World Bank is the Belize Renewable Integration and Energy Resilient System Project. The development objective of the project is to enable integration of new renewable energy generation and enhance the electricity system resilience against extreme climates by strengthening the national transmission infrastructure. Preliminary estimates put the total cost of the project at approximately US \$64.5 million.

The project has two substantive technical components. Component 1 entails the supply and installation of Battery Energy Storage Systems (BESS) at four locations, tentatively identified as Ladyville, Orange Walk, Independence and San Pedro, for a total capacity of 40 MW / 4h. Component 2 covers the supply and installation of grid resilient infrastructure (new or upgraded grid assets) to improve the resilience to climate events.

A few project missions related to scoping, appraisal, implementation, and procurement have been conducted and the project's final design is advanced.

Third, with the **Caricom Development Fund**, there is the Rudimentary Water System Upgrade for improvements to the Chunox, Georgeville, Mahogany Heights, and San Antonio (Toledo) Water Supply Systems. The project comprises small-scale infrastructure works and capacity building for key stakeholders. Water supply systems are being upgraded for Georgeville, Mahogany Heights, and San Antonio completed.

Fourth, with the **Interamerican Development Bank (IDB)**, there is the Skills for the Future Program, projected at BZ\$40 million. The objective of the project is to contribute to the closing of the skills gap to prepare tomorrow's workforce of the fourth Industrial Revolution.

Fifth, also with the IDB, there is the Improving Efficiency, Quality, and Access in Belize's Health System, a project valued at BZ \$17.6 million. The objective of the project is to improve the health of the population in Belize through increased efficiency, quality, and access to health services.

Sixth, again with the IDB, there is the Promoting Sustainable Growth in the Blue Economy Program, valued at BZ \$14 million. The general objectives of the Program are to improve income generation capacity of artisanal fisherfolks, and to maintain export levels of fisheries products while contributing to the sustainable use of commercial oceanic resources.

Seventh, and with the **Green Climate Fund (GCF)** and the Caribbean Community Climate Change Center, there is a project for Building the Adaptive Capacity of Sugarcane Farmers in Northern Belize. The Project, valued at BZ \$78 million will be tabled at the GCF Board Meeting for consideration and approval. The GCF Board meeting, where approval is expected, will be held this week in Kigali, Rwanda.

Eighth, also with the GCF, is a Project entitled, "Building Community Resilience via Transformative Adaptation" valued at BZ\$10 million. This project will begin implementation in 2024 under the management of PACT as the Accredited Entity, with collaboration from relevant government ministries, including the Ministry of Rural Transformation, Labor and Local Government.

Ninth, and a GCF project is entitled “The North Ambergris Caye Water/Wastewater Project,” valued at BZ \$300 million. Government expects to accessing the first BZ \$100 million in grant funding from the GCF. So far, Government has pledged BZ\$2 million in project preparation support to fast-track the development of the full proposal.

Tenth, the Resilient Rural Belize Project valued at USD 20 Million, also with the GCF. This project aims to increase the economic, social, and environmental resilience of smallholder farmers, thus creating the conditions for farmers to have a sustainable market access for their produce. The programme promotes climate-smart agricultural production, investing in climate proof infrastructure, supporting producer associations, and strengthening value chains to reinsert smallholder farmers as reliable, competitive suppliers of domestic produce in Belize. There will be a request sent to the GCF to extend the project for an additional two years to mitigate the delays experienced during the COVID pandemic.

Eleventh, the Building Community Resilience via Transformative Adaptation Project, valued at \$5.0 million. Belize’s second Adaptation Fund project was approved and will begin implementation in 2024. The first disbursement of funds was received on February 2, 2024. This project aims to build community resilience via transformative adaptation and specifically will work to improve Belize’s long-term capacity to protect communities from climate threats posed by drought, unpredictable water availability, floods, and improper wildfire management.

And lastly, a Project for the Use of Nature-based Solutions to Increase Resilience to Extreme Climate Events in the Atlantic Region of Central America, valued at BZ\$4.0 million. The objective of the project is to strengthen the climate resilience of communities and the ecosystems in the target area by deploying nature-based restoration efforts in a gender-conscious manner, providing access to community tools and training, supporting local/ community early warning systems, and implementing a regional approach that enhance scaling up possibilities for restoration ecosystems as an adaptation measures the Gulf of Honduras. Implementation is scheduled to start in the first quarter of 2024.

Madam Speaker,

One other reform initiative that’s critical for me to highlight, particularly in the context of this national budget presentation, and that is the World Bank’s Public Expenditure Review.



In August of 2023, the Bank completed a draft Public Expenditure Review for Belize. The Review provides a comprehensive analysis of the country’s fiscal policies and spending patterns over the last decade and offers a road map for policy makers to achieve more sustainable and equitable development outcomes and enhance the performance of public institutions.

The review highlights the significant progress made by Belize in recent years, particularly in terms of fiscal consolidation and debt management, and identifies some areas for improvement in term of public financial management, and efficiency and effectiveness gains to be had in the education and health sectors.

Policy recommendations, which the Government is seriously considering, include: moving to a more rules-based approach in fiscal policy; increasing the government’s fiscal ability to respond to external shocks such as natural disasters or health emergencies and improving value for money in key social and investment programs.

## **X - The Millennium Challenge Corporation**

I had previously announced that Belize was selected, after a period of assessment, as a beneficiary of the US Government's Millennium Challenge Corporation (MCC). I now confirm that the Belize Compact Development Team, under the Office of the Prime Minister, has contributed to the preparation of a Joint Design Document that defines the rationale and objectives for an Education and Energy Project to be funded by the MCC. The projects were designed collaboratively with the Ministry of Education, Culture, Science and Technology and the Ministry of Energy and Public Utilities and relevant stakeholders, and with technical guidance and financial support from the MCC.

The Education project aims to equitably increase the availability of post-primary graduates with the competencies relevant to labour market demands . Key components are (i) Transforming Teaching and Learning in Secondary Education; (ii) Increasing Access to and Progression through Secondary Education; and (ii) Training and Transitioning to Work.

The Energy Project aims to lower the wholesale cost of electricity using renewable energy through the signing of new Power Purchase Agreements for low-cost renewable energy generation and the commissioning of lower cost renewable energy projects,

The Projects are scheduled to be implemented in the five-year period 2025-2030.

The total grant for the implementation of both projects is estimated to be US\$117.4 million or the equivalent of 4 percent of GDP.

We anticipate that within the trajectory of Belize's socio-economic transformation, these two projects will be sweeping, high-impact programs and absolutely deserving of accentuation.

## **XI - The Administration of Justice**

As part of Government's #PlanBelize agenda for the administration of justice, government will introduce legislation to address needed criminal justice reform. These include legislation for Plea Discussion and Plea Agreement), Alternative Sentencing and the Criminal Records (Rehabilitation of Offenders). Together, these measures will ensure a more efficient system for the timely disposal of criminal cases, will focus more on restorative justice, and will provide offenders who have served their sentence, paid their debt to society and have not re-offended to reintegrate into society without the stigma of a criminal record inhibiting them for the rest of their lives.

Ensuring that persons who should not be in prison, are not there, is part of the responsibility of Government. This is an important balance a Government must ensure is kept.

## **XII - Conclusion**

Madam Speaker, every National Budget involves countless hours of analysis and review, for everyone involved, it is a delicate dance.

Putting limited money to best use is not an easy process since, there will be purposes and projects that do not make the final cut.

As always, we are grateful to the public officers, elected representatives and other stakeholders for their contribution to this effort.

This year I am especially proud of how much has been achieved with the resources allocated in Fiscal Year 2023/24, and even more so with the dramatic potential of the allocations we table today.

The pride I feel is as a result of the last several months of personal engagement with Belizeans throughout the 7 towns and 2 cities that elected their municipal leaders on Wednesday.

Meeting citizens on the streets, in their homes, at their workplace or their business locations, visiting clinics and hospitals and construction sites, I have been completely enthralled by the optimism and the resilience of our people.

And that optimism is attracting huge investment in the country: Beltraide envisions investments valued at \$850 million for this Fiscal Year, an unprecedented surge in private sector spending.

The forecast spans the spectrum of activities, with the majority being in tourism and hospitality but also manufacturing, offshore outsourcing, agriculture, and the blue and orange economy. No government is perfect, non gets everything perfect.

There will be setbacks and flaws, but this Administration, over the last three years of tireless work, has rekindled hope in our people.

This Administration has put the shine back on this Jewel, a Jewel that had been stained and smeared by those who preceded us. This Administration has aroused the best of our people. Indeed, no budget can

touch every citizen. But our people can see and feel that the impact of these investments – the 1.60 billion dollars Government proposes to invest into the medium term.

Dollars that will touch their lives in so many positive ways; whether that touch is at a clinic, or a hospital, or a school; whether it is by the positive conduct of a nurse, a police officer or a public officer; whether it is the birth certificate or the passport, or the social security card; whether it is the salary, or pension or gratuity; whether it is the housing lot, the new street or drain, or the new highway, the machine of governance oiled by this National Budget will touch the lives of all the citizens we serve in so many ways. On the broad global canvas, of course, this Budget advances our status as an independent nation-state and fortifies our engagement with the region and the world.

Madam Speaker the UDP ran another unsuccessful election campaign where across our cities and towns they plastered posters saying PUP Must Go. We on this side agree wholeheartedly that PUP must go on with the work of Nation Building!

Wednesday's election results demonstrate convincingly that Belizeans today feel that the country is heading in the right direction. That's why our PUP candidates received 61% of the votes cast in Wednesday in Municipal Elections, even higher than the 58% our candidates received in the General Election of 2020. Our Party actually ground, or defended our PUP share of the popular vote in 7 of 9 municipalities compared to the 2021 Municipal Election – PUP gained in Belize City, in Corozal, in San Pedro, Ambergris Caye, in Benque Viejo del Carmen and in Dangriga. In Belize City, the PUP gained ground in 5 of the 10 constituencies.

We must go from strength to strength in building greater confidence in our economy; in creating more jobs, in educating more of our children, in constructing more homes, in the expansion of NHI and in making our communities even safer. And so I commend this Budget to the National Assembly, satisfied that the Cabinet and I have been faithful to the guiding stars of social justice and national prosperity.

This Budget will underwrite another superb stage of our march to deliver on #Plan Belize. And with the guidance of the Creator, we move ever forward as we stay on track.

I thank you.

## **XIII - Appendices:**

## Appendix 1 – Table of Select Indicators

	2019	2020	2021	2022 <sup>R</sup>	2023 <sup>P</sup>
<b>POPULATION AND EMPLOYMENT (Average)</b>					
Population (Thousands)	408.5	421.5	432.5	444.8	457.8
Employed Labour Force (Thousands)	167.7	145.5	174.2	182.1	183.3
Unemployment Rate (%)	9.1	13.7	9.2	5.0	3.4
<b>INCOME</b>					
GDP at Current Market Prices (\$mn)	4,773.6	4,095.5	4,849.2	5,661.0	6,157.0
Per Capita GDP (\$, Current Mkt. Prices)	11,686.3	9,717.2	11,211.5	12,727.0	13,449.1
Real GDP Growth (%)	4.2	-13.7	17.9	8.7	4.1
Sectoral Distribution of Constant 2014 GDP (%)					
Primary Activities	9.8%	10.7%	11.3%	10.3%	9.9%
Secondary Activities	14.0%	16.3%	15.9%	14.4%	13.7%
Tertiary Activities	63.4%	61.1%	60.4%	61.0%	62.7%
<b>TOURISM</b>					
Stay Over Arrivals (Thousands)	464.1	133.7	212.6	345.7	429.5
Cruise Ship Passenger Arrivals (Thousands)	1,053.5	308.8	189.2	551.3	809.8
<b>MONEY AND PRICES (\$mn)</b>					
Inflation (Annual average percentage change)	0.2	0.1	3.2	6.3	4.4
Currency and Demand deposits (M1)	1,681.8	1,965.5	2,233.1	2,423.5	2,668.6
Quasi-Money (Savings and Time deposits)	1,510.4	1,568.3	1,735.5	1,731.1	1,778.9
Money Supply (M2)	3,192.3	3,533.8	3,968.5	4,154.6	4,447.6
Excess statutory liquidity	200.7	420.3	698.3	702.9	744.1
Excess cash liquidity	193.8	351.9	415.6	499.3	509.8
Excess securities	162.4	206.0	167.8	114.5	107.1
<b>CREDIT (\$mn)</b>					
Domestic Banks Loans and Advances	2,238.0	2,278.1	2,313.0	2,418.8	2,572.2
Public Sector	54.3	41.3	27.8	26.0	41.8
Private Sector	2,180.0	2,236.8	2,285.2	2,392.8	2,530.4
<b>INTEREST RATE (%)</b>					
Weighted Average Lending Rate	8.8	8.5	8.4	8.4	8.4
Weighted Average Deposit Rate	1.1	1.3	1.3	1.2	1.2
Weighted Average Interest Rate Spread	7.6	7.3	7.2	7.2	7.2
<b>BALANCE OF PAYMENTS (US \$mn)<sup>(1)</sup></b>					
Merchandise Exports (f.o.b.)	425.3	289.0	422.0	517.7	449.4
Merchandise Imports (f.o.b.)	968.5	731.4	956.1	1223.6	1261.2
Trade Balance	-543.2	-442.4	-534.0	-705.9	811.9
Remittances (Inflows)	94.5	118.3	133.0	140.1	147.0
Tourism (inflows)	526.7	246.9	374.1	600.5	717.0
Services (Net)	442.5	255.2	327.5	501.4	684.0
Current Account Balance	-184.6	-127.9	-157.9	-235.6	-138.3
Capital and Financial Flows	145.7	183.1	192.1	158.3	51.4
Gross Change in Official International Reserves	-17.8	70.2	75.1	58.4	-9.2
Gross Official International Reserves	277.9	348.1	424.0	482.5	473.3
Import Cover of Reserves (in months)	3.2	5.2	4.7	4.1	4.1

Sources: Ministry of Finance, Statistical Institute of Belize, & the Central Bank of Belize

(1) Debt service figure for 2021 includes principal payment of US\$552.9mn for the extinguishment of the 2034 bond.

P: Preliminary      R: Revised

## Appendix 2 – Summary of Budget in Percent of GDP, FY 21/22 - FY 28/29

	ACTUAL OUT-TURN 2021/22	ACTUAL OUT-TURN 2022/23	APPROVED BUDGET 2023/24	PROJECTED OUT-TURN 2023/24	SUBMITTED BUDGET 2024/25	FORECAST 2025/26	FORECAST 2026/27	FORECAST 2027/28	FORECAST 2028/29
<b>TOTAL REVENUES AND GRANTS</b>	<b>30.6</b>	<b>33.4</b>	<b>22.5</b>	<b>23.3</b>	<b>23.0</b>	<b>22.8</b>	<b>22.8</b>	<b>22.9</b>	<b>23.1</b>
<b>RECURRENT REVENUE</b>	<b>29.5</b>	<b>32.5</b>	<b>22.0</b>	<b>23.0</b>	<b>22.5</b>	<b>22.3</b>	<b>22.3</b>	<b>22.5</b>	<b>22.6</b>
TAX REVENUE	27.1	30.0	20.2	21.6	21.1	20.9	20.9	21.0	21.2
INCOME & PROFITS	6.1	7.9	5.8	5.7	5.5	5.5	5.5	5.6	5.6
TAXES ON PROPERTY	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TAXES ON INTL TRADE & TRANSACTIONS	5.0	5.7	3.6	3.5	3.4	3.4	3.4	3.4	3.3
TAXES ON GOODS & SERVICES	15.8	16.2	10.7	12.3	12.0	11.9	11.9	12.0	12.1
<b>NON-TAX REVENUE</b>	<b>2.4</b>	<b>2.5</b>	<b>1.8</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>
PROPERTY INCOME	0.6	0.9	0.8	0.3	0.2	0.2	0.2	0.2	0.2
LICENCES	0.4	0.5	0.3	0.3	0.4	0.4	0.4	0.4	0.4
ROYALTIES	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
GOVERNMENT MINISTRIES	1.0	0.9	0.5	0.6	0.6	0.6	0.6	0.6	0.6
REPAYMENT OF OLD LOANS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL REVENUES:</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
SALE OF EQUITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SALE OF CROWN LANDS	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>GRANTS</b>	<b>1.0</b>	<b>0.7</b>	<b>0.5</b>	<b>0.2</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>TOTAL EXPENDITURES</b>	<b>32.4</b>	<b>33.5</b>	<b>23.9</b>	<b>24.3</b>	<b>24.3</b>	<b>23.3</b>	<b>22.7</b>	<b>22.7</b>	<b>22.8</b>
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>25.3</b>	<b>26.0</b>	<b>17.8</b>	<b>18.1</b>	<b>17.8</b>	<b>17.3</b>	<b>16.8</b>	<b>16.8</b>	<b>16.9</b>
PERSONAL EMOLUMENTS	11.1	11.4	7.5	7.5	7.2	6.9	6.7	6.9	7.0
PENSIONS & EX-GRATIA	2.7	2.5	1.6	1.7	1.7	1.6	1.6	1.5	1.5
GOODS & SERVICES	5.7	5.3	3.6	3.9	4.4	4.1	4.0	4.0	4.0
SUBSIDIES AND CURRENT TRANSFERS	4.1	4.3	3.3	2.8	2.7	2.6	2.5	2.5	2.4
DEBT SERVICE-INTEREST & OTHER CHARGES	1.7	2.5	1.8	2.2	1.8	2.0	2.0	2.0	2.0
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>7.1</b>	<b>7.5</b>	<b>6.1</b>	<b>6.1</b>	<b>6.5</b>	<b>6.0</b>	<b>5.9</b>	<b>5.9</b>	<b>5.8</b>
CAPITAL II EXPENDITURES	4.1	4.9	3.5	4.2	4.2	3.8	3.8	3.8	3.8
CAPITAL III EXPENDITURES	2.8	2.6	2.5	1.9	2.2	2.0	2.0	2.0	2.0
CAPITAL TRANSFER & NET LENDING	0.2	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1
<b>PRIMARY SURPLUS/(DEFICIT)</b>	<b>-0.03</b>	<b>2.41</b>	<b>0.39</b>	<b>1.22</b>	<b>0.46</b>	<b>1.54</b>	<b>2.14</b>	<b>2.21</b>	<b>2.27</b>
<b>OVERALL SURPLUS/(DEFICIT)</b>	<b>-1.77</b>	<b>-0.12</b>	<b>-1.41</b>	<b>-0.97</b>	<b>-1.30</b>	<b>-0.49</b>	<b>0.12</b>	<b>0.21</b>	<b>0.30</b>
AMORTIZATION	-1.8	-2.5	-2.0	-2.1	-2.0	-2.2	-2.1	-2.1	-2.1
<b>FINANCING</b>	<b>-3.5</b>	<b>-2.6</b>	<b>-3.4</b>	<b>-3.0</b>	<b>-3.3</b>	<b>-2.7</b>	<b>-2.0</b>	<b>-1.9</b>	<b>-1.8</b>



## Appendix 3 – Link to Contributions from Ministries

<https://mof.gov.bz/wp-content/uploads/2024/03/PM-Budget-Speech-for-Fiscal-Year-2024-2025-Annex-Reports.pdf>

Ministry of the Public Service, Constitutional and Political Reform and Religious Affairs

Ministry of Foreign Affairs, Foreign Trade and Immigration

Ministry of Education, Culture, Science and Technology

Ministry of Agriculture, Food Security and Enterprise

Ministry of Tourism and Diaspora Relations

Ministry of Infrastructure Development and Housing

Ministry of Home Affairs and New Growth Industries

Ministry of Economic Development and Investment

Ministry of Blue Economy and Civil Aviation

## Appendix 4 – Link to Draft Estimates

<https://mof.gov.bz/wp-content/uploads/2024/03/DRAFT-ESTIMATES-OF-REVENUE-AND-EXPENDITURE-FOR-FISCAL-YEAR-2024-25-NO.2.pdf>