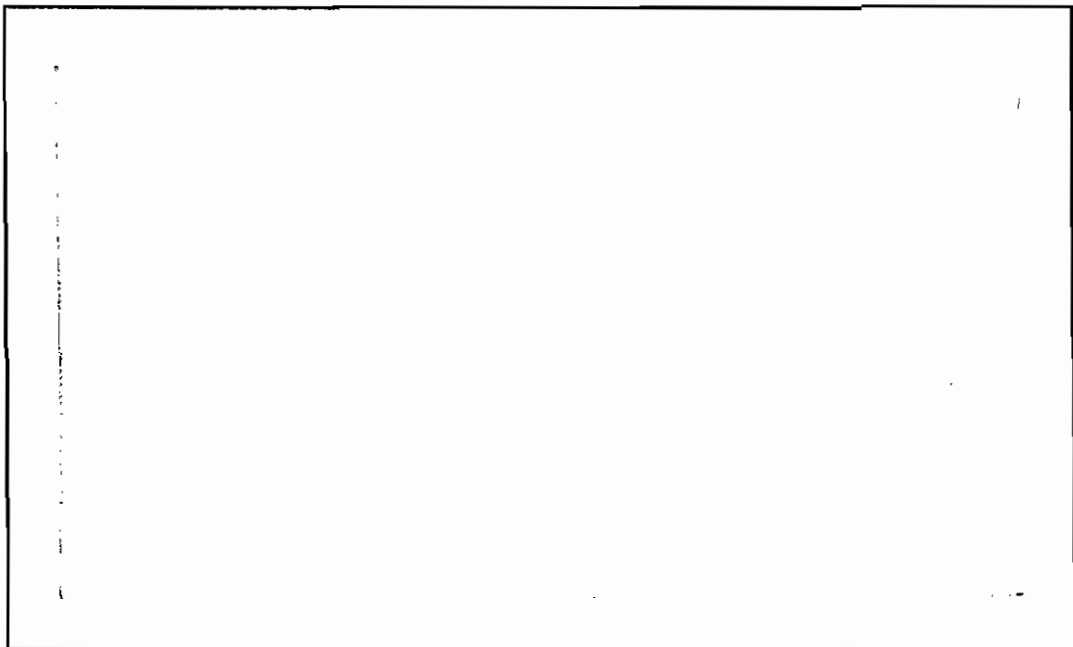




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**FINANCIAL SAVINGS AND THEIR IMPACT
ON ECONOMIC GROWTH**

**Mr. Gilford Humphreys
Central Bank of Belize**

Financial Savings & Its Contribution To Economic Growth

By

Gilford Humphreys

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The views expressed herein reflect the author's and are not necessarily those of the Central Bank.

AN ANALYSIS OF DOMESTIC SAVINGS IN BELIZE

INTRODUCTION

This paper will quantify domestic financial savings in Belize during the 1980's and 1990's and highlight how these savings were utilized. Real domestic financial savings is defined as the sum of savings and time deposits in the commercial banks adjusted for inflation while economic growth will be measured by real GDP. The paper begins with a brief description of the economic conditions from 1981 to 1993, as the economic climate prevailing at the time could impact either positively or negatively on the ability to save. A description of the main financial instruments available to savers is then presented, showing that the number of instruments available has increased somewhat since the 1980's.

The main portion of the paper will attempt to display a link between real financial savings and real economic growth. It must be admitted that other factors such as commodity prices, recessions and increasing inflation in the economies of our major trading partners can greatly influence economic growth in Belize. However, it is assumed in this section that the rate of growth or decline in real GDP will be influenced by either domestic financial savings or foreign savings. The first step in analyzing this linkage is to identify the specific sectors that cause overall GDP to increase or decrease. The second step will then be to identify where (local or foreign) the savings originated that contributed to such economic activity. Growth is considered to be locally financed when the rate of growth in real GDP and domestic financial savings are positive but net inflows is negative. Finally,

where the source of growth appears to be local, the loans and advances table of the commercial banks will be utilized to confirm if domestic savings were channelled by the commercial banks into the particular growth areas of GDP.

The purpose of this section is not to determine to what extent domestic financial savings have contributed to economic growth. The purpose is merely to establish that a link exists based on whether the relationship between them is positive or negative.

Briefly, the credit unions and the Social Security Board will be mentioned as the credit unions also make loans for construction etc., while the Social Security Board is mentioned because it possessed substantial deposits in the commercial banking system. Finally, a brief statement will be made on the credit patterns of the commercial banks.

ECONOMIC TRENDS IN BELIZE DURING THE 1980's AND 1990's

Average real GDP grew marginally during 1981 and 1982 (1.7%) and real GDP actually registered a -1.9 percent growth rate in 1983. During this period, the Belizean economy was adversely affected by world economic recessions in the industrialized countries, a fall in commodity prices and an increase in oil prices. Consequently, most sectors of the economy with the exception of public administration and transportation and communications experienced very little growth during these three years.

In the latter half of 1984, real GDP registered a growth rate of 2.9 percent as an IMF stabilization program was implemented due to balance of payments crisis and growing public sector deficits. Belize's net official reserves were depleted and even became negative during late 1984 and early 1985. The stabilization program included both monetary and fiscal policy which was aimed at improving the fiscal performance, containing the growth in aggregate demand and restoring the balance of payments to a more viable position. (Brownbridge) By 1985, the balance of payments position began to improve as there were substantial official capital inflows and imports were reduced through policy induced measures. These measures included an increase in stamp duty while net domestic credit was reduced by raising interest rates and liquidity requirements leading to lower importation levels. (Bradley)

Economic growth as measured by real GDP remained marginal until 1986 but impressive growth rates were realized as the average annual real GDP grew by 10.7 percent from 1987 to 1990. The growth was strongest in the construction and services sectors as the Biltmore and Ramada Hotels were constructed for the tourist sector during this period. Average annual real GDP grew at a more sustainable 4.3 percent from 1991 to 1993 as the large growth rates experienced in the 1987-1990 period resulted from substantial inflows of foreign capital and was not linked to an increase in productivity.

**Gross Domestic Product
(by Industrial Origin at Factor Cost)**

\$'000

	[CONSTANT (1984) PRICES]						
	1980	1981	1982	1983	1984	1985	1986
GROSS DOMESTIC PRODUCT	324,733	333,209	336,364	329,936	339,371	340,452	348,094
PRIMARY ACTIVITIES	73,425	74,242	77,246	72,828	74,315	73,593	70,625
Agriculture	55,800	55,515	58,295	54,585	55,673	54,445	53,945
Forestry & logging	8,468	7,034	8,620	6,916	7,419	6,946	6,285
Fishing	8,357	10,850	9,490	10,350	10,085	10,879	8,856
Mining	800	843	841	977	1,138	1,323	1,539
SECONDARY ACTIVITIES	75,531	84,444	81,807	79,615	78,798	79,188	81,529
Manufacturing	48,533	56,662	55,959	55,336	50,609	51,110	52,335
Electricity & Water	6,664	7,041	7,872	8,086	8,238	8,847	9,221
Construction	20,514	20,741	17,976	16,211	19,951	19,231	19,973
SERVICES	189,713	188,852	190,181	189,982	198,686	200,766	209,693
Trade, Restaurants, Hotels	64,101	55,840	48,005	43,299	48,072	45,411	47,838
Transportation & Communications	21,737	24,317	28,154	30,420	32,282	33,256	37,020
Finance & Insurance	21,274	21,874	19,646	19,065	18,972	19,991	20,994
Real Estate & Business Services	19,610	21,856	21,324	21,233	21,313	21,781	22,236
Public Administration	30,361	31,432	38,609	40,573	41,668	43,014	43,263
Commerce & Other Services	32,630	33,533	34,443	35,392	36,379	37,313	38,342
LESS:							
Imputed Bank Service Charges	13,936	14,329	12,870	12,489	12,428	13,095	13,753
PER CAPITA GDP	2,233	2,236	2,202	2,108	2,115	2,070	2,065
ANNUAL % CHANGE IN GDP		2.61	0.95	-1.91	2.86	0.32	2.24
IMPLICIT DEFLATOR	94.89	92.63	86.43	91.99	100.00	98.51	103.22

Source: Central Statistical Office

Gross Domestic Product
(by Industrial Origin at Factor Cost)

\$'000

	[CONSTANT (1984) PRICES]						
	1987	1988	1989	1990	1991	1992	1993
GROSS DOMESTIC PRODUCT	391,610	417,599	478,860	521,686	543,646	621,564	649,758
PRIMARY ACTIVITIES	86,718	85,627	92,639	104,652	105,273	130,548	128,183
Agriculture	62,776	59,880	64,953	75,454	72,404	88,432	86,826
Forestry & logging	12,691	12,901	12,802	12,850	13,506	18,124	12,393
Fishing	9,460	10,762	12,087	12,596	14,329	18,536	22,940
Mining	1,791	2,084	2,797	3,752	5,034	5,456	6,024
SECONDARY ACTIVITIES	92,996	99,328	118,998	129,397	133,964	156,204	169,399
Manufacturing	56,571	56,531	62,376	65,458	62,158	96,152	104,307
Electricity & Water	10,020	11,252	12,334	13,207	14,254	13,792	15,669
Construction	26,405	31,545	44,288	50,732	57,552	46,260	49,423
SERVICES	227,843	250,624	286,103	307,457	324,860	356,333	374,430
Trade, Restaurants, Hotels	55,272	65,050	80,475	86,600	91,521	110,005	113,247
Transportation & Communications	39,180	47,031	60,705	69,008	76,015	85,793	99,912
Finance & Insurance	24,344	27,447	28,822	30,256	31,219	30,121	30,121
Real Estate & Business Services	23,485	24,974	26,068	27,878	29,365	31,502	28,533
Public Administration	46,163	45,636	48,431	50,966	52,812	53,842	56,232
Commerce & Other Services	39,399	40,486	41,602	42,749	43,928	45,070	46,385
LESS:							
Imputed Bank Service Charges	15,947	17,980	18,880	19,820	20,451	21,521	22,253
PER CAPITA GDP	2,266	2,357	2,637	2,803	2,849	3,124	3,257
ANNUAL % CHANGE IN GDP	12.50	6.64	14.67	8.94	4.21	5.28	3.30
IMPLICIT DEFLATOR	111.31	114.62	116.94	118.02	120.81	123.56	127.30

Source: Central Statistical Office

FINANCIAL INSTRUMENTS AVAILABLE TO SAVERS IN BELIZE

Generally speaking, it is not uncommon to find developing countries like Belize to have a poorly developed financial system. The outlets in which the public may save consists of the commercial banks, the credit unions, Insurance companies, building societies and a Government savings bank. The commercial banks possess the vast majority of the private sector financial savings and therefore are the most important intermediaries in converting domestic savings into domestic investment.

There are four commercial banks in Belize which offer non interest bearing demand deposits and interest bearing savings and time deposits. Demand deposits are held largely for payment rather than for savings purposes. Savings deposits had a weighted average nominal interest rate of 5.4 percent per annum in 1993 while time deposits yielded a weighted average nominal interest rate of 8.3 percent per annum during the same year.

The credit unions, of which there are 15 active in Belize, attract private sector savings since they offer credit facilities to savers with more lenient collateral requirements and more concessional interest rates. The weighted average lending rate of the commercial banks stood at 14.6 percent at the end of 1993 while that of the credit unions is 1 percent per month on the unpaid balance. Shares at the credit union yield a dividend of around 5% to 6% per annum. The Government Savings Bank offers a 5% nominal interest rate on deposits and have shown very little growth over recent years.

Present financial instruments besides savings and time deposits in the commercial banks include: Treasury Bills, Treasury Notes, Debentures, and more recently, Belize Telecommunications Limited (BTL) shares, Belize Electricity Limited (BEL) shares, Central Bank Building Bonds and Defence Bonds. Therefore, although the range of financial instruments in Belize are few, it is nevertheless expanding. Treasury Bills are actively traded between the commercial banks and the Central Bank who between them held 99.3 percent of the Treasury Bill issue at the end of 1993. The commercial banks hold Treasury Bills and Debentures to meet statutory liquidity requirements and to absorb excess liquidity. The BTL

and BEL shares are a result of privatization by the Government of Belize while the defence bonds are the result of an attempt to expand the military capabilities of Belize. The privatization of BTL occurred in two distinct phases - in 1988 and then again in 1991/92 - where 32.0 mn shares were sold at a value of US\$33.7 mn. British Telecom and Belize Holdings Inc. hold 25% of the shares each while the private sector holds 48% of the shares and the Government of Belize maintains a minimal 2%. The Belize Electricity Limited was privatized in the form of debentures and shares at a value of US\$37.1 mn with the Government of Belize maintaining controlling shares of 51.0% while the Belize Bank Ltd. holds 20.0%, the general public 16.7%, the Social Security Board 11.6% and the BEL employees own less than 1% of the controlling shares. The proceeds from this privatization efforts were used to fund Capital II Expenditures.

The tax system in the past provided the public with an incentive to save as interest earnings and credit union dividends were exempted from income tax. However, the Government has recently announced that interest will now be subject to a 5% tax. On the other hand, dividends received from the credit unions still remain exempt from taxes. The taxes charged on interest could have a negative impact on savings if the nominal interest rates offered by the commercial banks to depositors do not increase to offset the taxes paid to the Government. As of September 1994, there are no indications that the 5% tax on interest has had an adverse effect on savings.

THE IMPACT OF THE COMMERCIAL BANKING SYSTEM

The commercial banks are especially helpful in that they distribute and channel domestic savings to certain sectors of the economy which translates itself into economic growth. Total domestic financial savings within the commercial banks more than quadrupled from \$82.3 mn in 1981 to \$352.3 mn in 1993. Over the 13 year period since 1981, 58.1 percent of total savings was held in the form of time deposits while 23.0 percent and 18.9 percent were held in savings and demand deposits, respectively.

Shares of Demand, Savings and Time

Year	Demand	Savings	Time	Total
1981	21.7	25.6	51.8	100.0
1982	18.1	23.3	56.8	100.0
1983	16.2	22.3	61.5	100.0
1984	20.1	22.7	57.1	100.0
1985	18.2	21.2	60.6	100.0
1986	17.7	21.7	60.5	100.0
1987	18.7	21.7	59.6	100.0
1988	19.0	25.4	55.6	100.0
1989	19.3	22.9	57.8	100.0
1990	17.6	23.1	59.3	100.0
1991	18.3	21.9	59.7	100.0
1992	19.9	23.1	57.0	100.0
1993	20.9	22.9	56.2	100.0
AV.	18.9	23.0	58.1	100.0

Source: Central Bank of Belize

Total deposits in the banking system is dominated by private individuals who since 1981, account for 62.4 percent of total deposits. During the 1981-1983 period, the share of individual savings accounted for 69.6 percent of total savings. The share fell to 63.7 percent during the 1984-1988 period and continued to fall to 56.9 percent in the 1989-1993 period. The fall in the share of private sector deposits stemmed largely from the growth in public sector entities as the Social Security Board accumulated large savings which were

deposited in the banking system. Savings in Belize tend to be high as interest income was not taxable up to March of 1994. The share of individual savings are also high since loan repayments can be classified as an expense for income tax purposes. This encourages individuals to finance expenditure by means of a loan and not by utilizing savings.

Since 1981, approximately 70 percent of loans from the commercial banks are channelled into four sectors, namely: Agriculture (14.2%), Building and Construction (14.9%), Distribution (28.3%) and personal loans (11.9%). Within the agricultural sector however, there has been a shift away from credit to sugar to credit to Citrus and Bananas. Increasing credit to other sectors such as tourism which accounts for only 2.8 percent total loans and advances could have a beneficial impact on economic growth in Belize. (See Appendix)

THE LINK BETWEEN REAL FINANCIAL SAVINGS AND REAL GDP

During the 1981-1983 period, average annual real GDP grew by only 0.6 percent reflecting low commodity prices (especially for sugar), which impacted negatively on the foreign exchange earnings from the exports of major agricultural commodities while the recessions in the industrialized countries resulted in a decline in earnings from tourism. With the exception of a marginal increase in 1982, growth in real GDP slowed due to declines in agriculture and forestry and logging in the primary sector; manufacturing and construction in the secondary sector and trade, restaurants, hotels; finance and insurance and real estate and business services in the services sector. Foreign savings were available during this period and average real domestic financial savings stood at 10.2 percent indicating that local financing was available to fuel economic growth but was not utilized due to the poor economic conditions existing at the time. As expected then, there were substantial reductions in credit to agriculture and to a lesser extent, forestry and building and construction. Therefore, domestic savings had very little impact on economic growth during this period.

In the second stage (1984-1986), an IMF stabilization program was implemented to ease the balance of payments crisis which was linked to growing public sector deficits. During this period, average annual real GDP grew by a marginal 1.8 percent. This growth was driven primarily by secondary activities and services with the strongest growth being recorded in the services sector as every item under this section with the exception of Trade, Restaurants, Hotels experienced growth. The real growth rate of 2.86 percent in 1984 was

financed by foreign sources. Indicating that this was the case, there was a net inflow of capital emanating from the IMF and other international agencies while the growth in real domestic financial savings fell by 8.2 percent. During 1984, credit to agriculture, commercial fishing, manufacturing and tourism declined. The growth experienced in 1985 was achieved largely by growth in the secondary and services sectors. These sectors grew as both funds from abroad and domestically were utilized with the strongest assistance being from abroad. Domestically, the commercial banks increased credit to government services, manufacturing and mining and exploration. The growth in 1986 also came from the secondary and services sectors as every category under these sectors experienced growth. However, the growth was domestically driven as net foreign inflows was negative while real domestic financial savings registered a 13.3 percent growth. Foreign inflows were negative largely because expensive suppliers "credit were repaid - in some cases before they fell due." (Alvarez) The commercial banking system increased credit to tourism, building and construction, real estate and financial institutions.

Financial Savings

Year	Growth in Real GDP	Fin. Sav. Real Growth	Growth in Inf./Out.	Real(\$mn) Fin. Sav.	For.(\$mn) Inf./Out.	Inflation Rate
1981	2.61	6.2	654.2	82.3	2.4	6.70
1982	0.95	6.9	-128.2	93.5	18.1	6.70
1983	-1.91	17.6	-237.3	116.2	-5.1	6.70
1984	2.86	-8.2	242.9	113.4	7.0	5.84
1985	0.32	8.9	242.9	122.8	24.0	-0.62
1986	2.24	13.9	-132.1	142.9	-7.7	2.43
1987	12.50	18.5	-90.9	172.3	-0.7	2.03
1988	6.64	12.5	-4771.4	199.5	32.7	3.25
1989	14.67	20.4	-50.5	244.4	16.2	2.12
1990	8.94	17.7	-2.5	297.6	15.8	4.03
1991	4.21	8.3	-89.2	335.5	1.7	4.48
1992	5.28	3.3	700.0	354.5	13.6	2.38
1993	3.30	-2.7	246.3	352.3	47.1	2.04

Sources: Central Bank of Belize
IMF Estimates
Central Statistical Office

The third stage (1987-1990), the post stabilization era, experienced average annual real GDP of 10.7 percent as commodity prices improved and impressive growth was recorded in the construction and services. During 1987, the growth of 12.5 percent was achieved by local sources as foreign inflows was negative while real domestic financial savings grew by 18.5 percent. Foreign inflows were negative due largely to the repayment of the IMF stabilization loans. The commercial banks increased credit to agriculture, tourism and building and construction. From 1988-1990, growth occurred due to improvements in the primary, secondary and services sectors. This growth was assisted by both local and foreign sources as large inflows resulted from construction of hotels while domestically, credit was increased to agriculture, tourism and building and construction.

The final stage (1991-1993) experienced a modest but more sustainable growth rate of 4.3 percent as commodity prices remained somewhat stable, industries became more productive and new ones came on stream. Growth in the primary sector was driven

primarily by agriculture and fishing. Agriculture improved as the banana industry became more productive due to privatization, the control of black sigatoka disease and technical assistance from Fyffes while prices for citrus concentrate remained relatively high. Fishing improved as farmed shrimp came on stream and is now the main foreign exchange earner in the marine industry displacing lobster tails. In the secondary sector, manufacturing grew impressively due to the increase in citrus production. The services sector improved as tourism was emphasized while public administration grew as the government granted salary increases to public workers. The growth during 1991 and 1992 was fueled by both local and foreign sources while the growth in 1993 came largely from foreign sources. During the 1991-1993 period, the commercial banks increased credit to commercial fishing, manufacturing and transport while credit to agriculture and tourism remained high.

OTHER FINANCIAL INSTITUTIONS

CREDIT UNIONS

Credit union activity had its genesis in Belize in 1943 and has shown substantial growth since then. In 1993, there were some thirty-eight registered credit unions of which only fifteen were active at that time. This growth is undoubtedly linked to the facilities of the credit unions which is more lenient in its collateral requirement than the commercial banks as well as offering more concessional interest rates. Credit unions are limited by law to charge a maximum of one percent per month or twelve 12 percent per year on a declining balance while the weighted average lending rate at the commercial banks in 1993 was 14.6 percent. A substantial portion of the loans granted by the credit unions are for home construction, repairs and education. Over the past 13 years, total assets of the credit unions have grown from \$13.5 mn in 1980 to an estimated \$69.4 mn in 1993. Of the \$69.4 mn in total assets, \$60.4 mn or eighty seven percent is held in the forms of loans. Credit union activity is dominated by one large credit union which accounted for seventy five percent of the total assets.

Since restrictive measures induced by monetary policy are applied to the commercial banks but not credit unions, the loans and therefore, the assets of the credit unions will increase in times of austerity while those of the commercial banks will decline. This implies that the credit unions act a substitute rather than a competitor to the commercial banks. (Mendoza, 1992)

Credit Union and Social Security Deposits
with the Commercial Banks

Year	Institution	Savings	Time	Total	Fin. Saving	% Fin. Saving
1981	Credit Unions & Insurance Co.	568	1,753	2,321	82,327	2.82
1981	S.S.B.	0	0	0	82,327	0.00
1982	Credit Unions & Insurance Co.	764	3,808	4,572	93,508	4.89
1982	S.S.B.	38	5,570	5,608	93,508	6.00
1983	Credit Unions & Insurance Co.	701	5,410	6,111	116,196	5.26
1983	S.S.B.	96	7,703	7,799	116,196	6.71
1984	Credit Unions & Insurance Co.	574	5,481	6,055	113,402	5.34
1984	S.S.B.	312	9,807	10,119	113,402	8.92
1985	Credit Unions & Insurance Co.	708	5,685	6,393	122,753	5.21
1985	S.S.B.	162	10,874	11,036	122,753	8.99
1986	Credit Unions & Insurance Co.	1,366	812	2,178	142,894	1.52
1986	S.S.B.	222	13,826	14,048	142,894	9.83
1987	Credit Unions & Insurance Co.	970	8,937	9,907	172,298	5.75
1987	S.S.B.	0	14,764	14,764	172,298	8.57
1988	Credit Unions & Insurance Co.	1,331	10,611	11,942	199,524	5.99
1988	S.S.B.	1,128	28,313	29,441	199,524	14.76
1989	Credit Unions & Insurance Co.	2,412	10,651	13,063	244,361	5.35
1989	S.S.B.	353	37,378	37,731	244,361	15.44
1990	Credit Unions & Insurance Co.	1,936	13,760	15,696	297,568	5.27
1990	S.S.B.	468	44,461	44,929	297,568	15.10
1991	Credit Unions & Insurance Co.	1,876	12,441	14,317	335,464	4.27
1991	S.S.B.	307	50,123	50,430	335,464	15.03
1992	Credit Unions & Insurance Co.	1,525	12,395	13,920	354,533	3.93
1992	S.S.B.	1,446	38,032	39,478	354,533	11.14
1993	Credit Unions & Insurance Co.	851	16,021	16,872	352,299	4.79
1993	S.S.B.	3,311	14,608	17,929	352,299	5.09

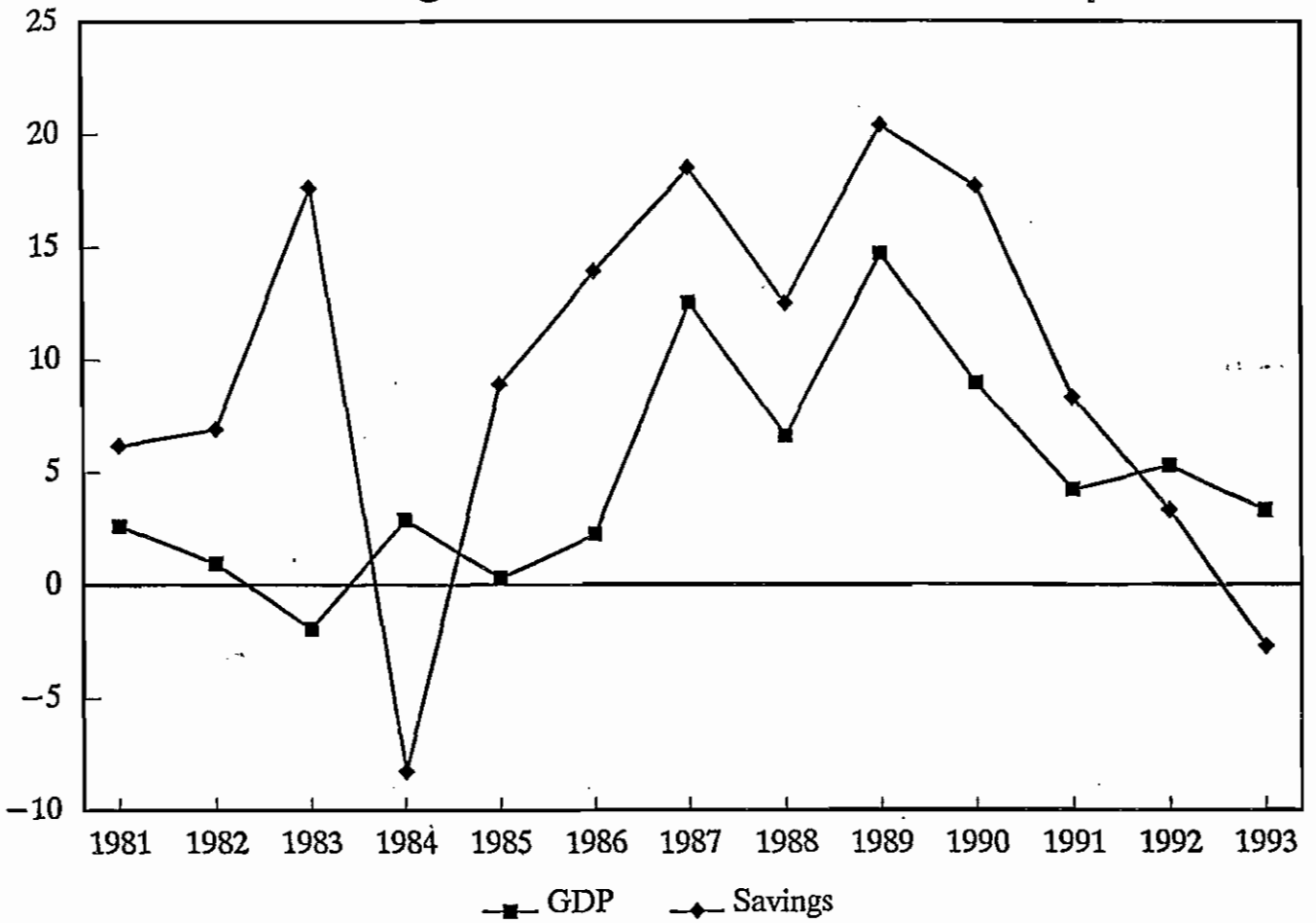
Source: Central Bank of Belize

SOCIAL SECURITY BOARD

The social security board commenced operation on June 1, 1981 and has since then accumulated impressive savings having a profound impact on the banking system. In 1981, the social security board had 24,958 registered insured persons while the figure now stands at approximately 82,663 registered insured persons.

In 1982, the social security board had \$5.6 mn or 6.0 percent of total deposits in the banking system. By 1991, the board's deposits increased to \$50.4 mn or 15.0 percent of total deposits in the banking system. Undoubtedly, these deposits were utilized by the commercial banks to extend credit to various sectors within the economy and thus, contributed to economic growth. The rapid increase in the accumulation of savings was due to the fact that very few insured persons qualified for benefits at that time. Therefore, until 1991, the board kept almost all its deposits in the form of time deposits. However, after 1991, the board began to withdraw substantial amounts of money for investments in other areas to increase its returns so as to meet future commitments to insured persons who now qualify for benefits. As a result, the board's deposits declined from \$50.4 mn in 1991 to \$14.6 mn in 1993. The board has invested its funds in housing, agriculture, tourism and equity investments. (Campbell, 1994). These deposits had some impact on the interest rates being offered by the commercial banks. The withdrawal of funds by the social security board has led to higher interest rates on deposits to attract funds to the commercial banks thereby easing the liquidity strain caused by the board's decision.

Savings & Growth Relationship



CONCLUSION

During the period, 1981- 1993, growth in real GDP was slow in the early 1980's, improved during the mid 1980's, experienced impressive growth during the late 1980's to 1990 and finally, stabilized at sustainable levels over the 1991-1993 period. These growth rates were financed both locally and from abroad. The major growth areas were in construction, tourism and agriculture. A positive link between economic growth and domestic financial savings seem to exist when economic conditions are stable while a negative link exists in times of economic woes. (Graph) While financial savings exist in the banking system during recessionary periods, it remains dormant until economic conditions become healthy.

Economic growth in the future will ultimately depend on how wisely domestic financial savings is utilized. As the world mounts the bandwagon of free trade and free markets, new areas and niche markets within and outside of agriculture will have to be financed from domestic sources. As was pointed out before, areas such as tourism will have to be given more consideration than the 2.8 percent it currently receives while credit to areas such as distribution will have to be lessened.

APPENDIX

Distribution of Loans
to the Agricultural Sector

Percentages

End of Period	Sugar	Citrus	Rice	Bananas	Cattle & Dairy	Poultry & Eggs	Honey Production	Land Clearing & Preparation	General And Misc.	Total
1981	55.19	8.84	12.56	12.50	3.55	0.55	0.43	0.73	5.65	100
1982	47.02	14.09	4.79	18.70	6.03	1.07	0.25	0.92	7.14	100
1983	46.62	25.73	5.36	8.21	4.01	1.82	0.35	3.30	4.59	100
1984	39.31	31.37	2.36	10.49	5.24	2.62	0.31	1.13	7.19	100
1985	27.54	49.84	0.17	1.47	7.30	2.65	0.20	0.20	10.64	100
1986	31.48	38.43	0.00	6.88	9.00	1.35	0.76	0.08	12.01	100
1987	21.17	22.93	0.01	23.91	4.29	1.54	0.32	9.30	16.52	100
1988	25.69	25.29	0.30	28.69	2.96	1.11	0.29	6.85	8.80	100
1989	32.54	23.98	0.00	28.74	1.31	0.73	0.19	4.61	7.91	100
1990	32.62	21.30	0.20	32.92	0.38	0.46	0.13	0.46	11.53	100
1991	21.53	38.72	0.37	30.33	0.49	0.83	0.13	1.21	6.40	100
1992	21.85	40.84	0.31	25.71	0.91	1.42	0.20	1.24	7.53	100
1993	19.32	42.24	1.05	28.24	0.81	1.46	0.13	1.29	5.46	100

Source: Central Bank of Belize

Distribution of Loans to the Agricultural Sector

\$'000

End of Period	Sugar	Citrus	Rice	Bananas	Cattle & Dairy	Poultry & Eggs	Honey Production	Clearing & Preparation	And Misc.	Total
1981	13,293	2,128	3,025	3,011	855	133	104	177	1,360	24,086
1982	10,674	3,198	1,088	4,245	1,369	242	56	209	1,621	22,702
1983	8,014	4,422	921	1,411	690	313	61	568	789	17,189
1984	6,552	5,229	393	1,749	873	436	51	188	1,198	16,669
1985	3,944	7,138	25	210	1,045	379	29	29	1,524	14,323
1986	4,030	4,920	0	881	1,152	173	97	10	1,538	12,801
1987	4,554	4,932	2	5,143	922	332	69	2,001	3,552	21,507
1988	7,410	7,295	87	8,275	855	321	85	1,975	2,539	28,842
1989	11,023	8,124	0	9,736	444	247	63	1,563	2,680	33,880
1990	15,260	9,965	95	15,400	176	217	63	215	5,394	46,785
1991	11,949	21,490	203	16,835	274	458	71	672	3,550	55,502
1992	12,030	22,481	168	14,152	501	782	111	681	4,144	55,050
1993	11,641	25,451	631	17,018	490	879	80	780	3,290	60,260

Source: Central Bank of Belize

Sectoral Distribution of Loans and Advances

\$'000

	Dec. 1981	Dec. 1982	Dec. 1983	Dec. 1984
Government Services	4,171	14,426	15,113	19,042
Public Utilities	826	583	2,179	3,926
Agriculture	24,086	22,702	17,189	16,669
Commercial Fishing	416	531	875	812
Forestry	2,687	2,776	978	1,467
Manufacturing	11,854	15,019	18,639	19,938
Tourism	1,004	1,442	1,144	1,240
Building & Construction	11,879	12,585	13,139	15,366
Real Estate	1,214	1,383	3,140	4,687
Financial Institutions	378	318	1,433	6,039
Distribution	36,259	44,364	42,681	45,852
Professional Services	946	773	865	943
Transport	1,772	2,025	3,542	2,709
Entertainment	448	862	655	786
Mining & Exploration	24	1,852	4,991	6,013
Personal Loans	10,945	10,703	14,868	16,052
Total of which:	108,909	132,344	141,431	161,541
To Residents	105,067	131,666	140,582	151,852
To Non-Residents	3,842	678	849	1,189

Source: Central Bank of Belize

Sectoral Distribution of Loans and Advances Cont'd

\$'000

	Dec. 1985	Dec. 1986	Dec. 1987	Dec. 1988	Dec. 1989	Dec. 1990	Dec. 1991	Dec. 1992	Dec. 1993
Government Services	19,201	13,651	8,183	4,271	2,291	1	540	275	76
Public Utilities	1,109	787	6,318	5,775	4,067	2,731	2,041	1,689	664
Agriculture	14,323	12,801	21,507	28,842	33,880	46,785	55,502	55,050	60,260
Commercial Fishing	707	1,459	1,609	2,647	3,524	3,115	2,514	3,639	4,427
Forestry	371	254	1,759	619	984	1,230	825	1,509	1,782
Manufacturing	21,080	16,687	14,213	17,470	18,053	17,240	25,883	27,570	30,224
Tourism	1,485	1,583	4,118	5,864	8,466	10,686	22,185	21,650	21,351
Building & Construction	15,397	18,964	23,436	33,911	40,849	57,986	64,628	81,839	82,689
Real Estate	3,099	3,633	4,212	7,747	8,340	9,193	13,269	11,949	18,277
Financial Institutions	673	1,091	2,226	1,980	1,216	1,967	1,212	1,821	1,535
Distribution	45,874	44,039	51,008	61,509	71,202	71,353	71,413	78,061	83,310
Professional Services	1,417	1,131	1,658	2,053	2,322	2,841	3,764	5,788	5,488
Transport	1,875	2,251	4,242	7,529	7,337	9,750	11,083	12,528	14,486
Entertainment	663	596	758	952	1,208	1,203	1,931	2,218	1,949
Mining & Exploration	5,811	4,994	4,671	5,778	6,450	1,183	1,025	1,101	1,407
Personal Loans	10,813	12,362	15,211	24,931	30,866	43,704	58,162	66,493	59,290
Total of which:	143,898	136,283	165,129	211,878	241,055	280,968	335,977	373,180	387,215
To Residents	140,331	134,832	165,074	211,828	241,015	278,857	331,102	371,876	386,317
To Non-Residents	1,067	118	55	50	40	2111	4875	1304	898

Source: Central Bank of Belize

Sectoral Distribution of Loans and Advances

Percentages

	Dec. 1981	Dec. 1982	Dec. 1983	Dec. 1984
Government Services	3.83	10.90	10.69	11.79
Public Utilities	0.76	0.44	1.54	2.43
Agriculture	22.12	17.15	12.15	10.32
Commercial Fishing	0.38	0.40	0.62	0.50
Forestry	2.47	2.10	0.69	0.91
Manufacturing	10.88	11.35	13.18	12.34
Tourism	0.92	1.09	0.81	0.77
Building & Construction	10.91	9.51	9.29	9.51
Real Estate	1.11	1.05	2.22	2.90
Financial Institutions	0.35	0.24	1.01	3.74
Distribution	33.29	33.52	30.18	28.38
Professional Services	0.87	0.58	0.61	0.58
Transport	1.63	1.53	2.50	1.68
Entertainment	0.41	0.65	0.46	0.49
Mining & Exploration	0.02	1.40	3.53	3.72
Personal Loans	10.05	8.09	10.51	9.94
Total	100	100	100	100

Source: Central Bank of Belize

Sectoral Distribution of Loans and Advances cont'd

Percentages

	Dec. 1985	Dec. 1986	Dec. 1987	Dec. 1988	Dec. 1989	Dec. 1990	Dec. 1991	Dec. 1992	Dec. 1993
Government Services	13.34	10.02	4.96	2.02	0.95	0.00	0.16	0.07	0.02
Public Utilities	0.77	0.58	3.83	2.73	1.69	0.97	0.61	0.45	0.17
Agriculture	9.95	9.39	13.02	13.61	14.05	16.65	16.52	14.75	15.56
Commercial Fishing	0.49	1.07	0.97	1.25	1.46	1.11	0.75	0.98	1.14
Forestry	0.26	0.19	1.07	0.29	0.41	0.44	0.25	0.40	0.46
Manufacturing	14.65	12.24	8.61	8.25	7.49	6.14	7.70	7.39	7.81
Tourism	1.03	1.16	2.49	2.77	3.51	3.80	6.60	5.80	5.51
Building & Construction	10.70	13.92	14.19	16.00	16.95	20.64	19.24	21.93	21.35
Real Estate	2.15	2.67	2.55	3.66	3.46	3.27	3.95	3.20	4.72
Financial Institutions	0.47	0.80	1.35	0.93	0.50	0.70	0.36	0.49	0.40
Distribution	31.88	32.31	30.89	29.03	29.54	25.40	21.26	20.92	21.52
Professional Services	0.98	0.83	1.00	0.97	0.96	1.01	1.12	1.55	1.42
Transport	1.30	1.65	2.57	3.55	3.04	3.47	3.30	3.36	3.74
Entertainment	0.46	0.44	0.46	0.45	0.50	0.43	0.57	0.59	0.50
Mining & Exploration	4.04	3.66	2.83	2.73	2.68	0.42	0.31	0.30	0.36
Personal Loans	7.51	9.07	9.21	11.77	12.80	15.55	17.31	17.82	15.31
Total	100	100	100	100	100	100	100	100	100

Source: Central Bank of Belize

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