


SYMPTOM A:

16th steepest Economic Downturn in the World!

GDP GROWTH RATE (%) FOR 194 COUNTRIES (IMF as April 2021)			
	COUNTRY	GDP %	Ranks out of 194 countries
1	Libya	-59.7	194
2	Macao SAR	-56.3	193
3	Maldives	-32.2	192
4	Venezuela	-30.0	191
5	Aruba	-25.5	190
6	Lebanon	-25.0	189
7	Fiji	-19.0	188
8	St. Lucia	-18.9	187
9	St. Kitts and Nevis	-18.7	186
10	Panama	-17.9	185
11	Barbados	-17.6	184
12	Antigua and Barbuda	-17.3	183
13	The Bahamas	-16.3	182
14	Mauritius	-15.8	181
15	Montenegro	-15.2	180
16	Belize	-14.1	179
17	Cabo Verde	-14.0	178
18	Grenada	-13.5	177
19	Suriname	-13.5	176
20	Seychelles	-13.4	175
21	Peru	-11.1	174
22	Spain	-11.0	173
23	West Bank and Gaza	-11.0	172
24	Iraq	-10.9	171
25	Dominica	-10.4	170
26	Palau	-10.3	169



WHY WE WERE HIT SO HARD: VULNERABILITY

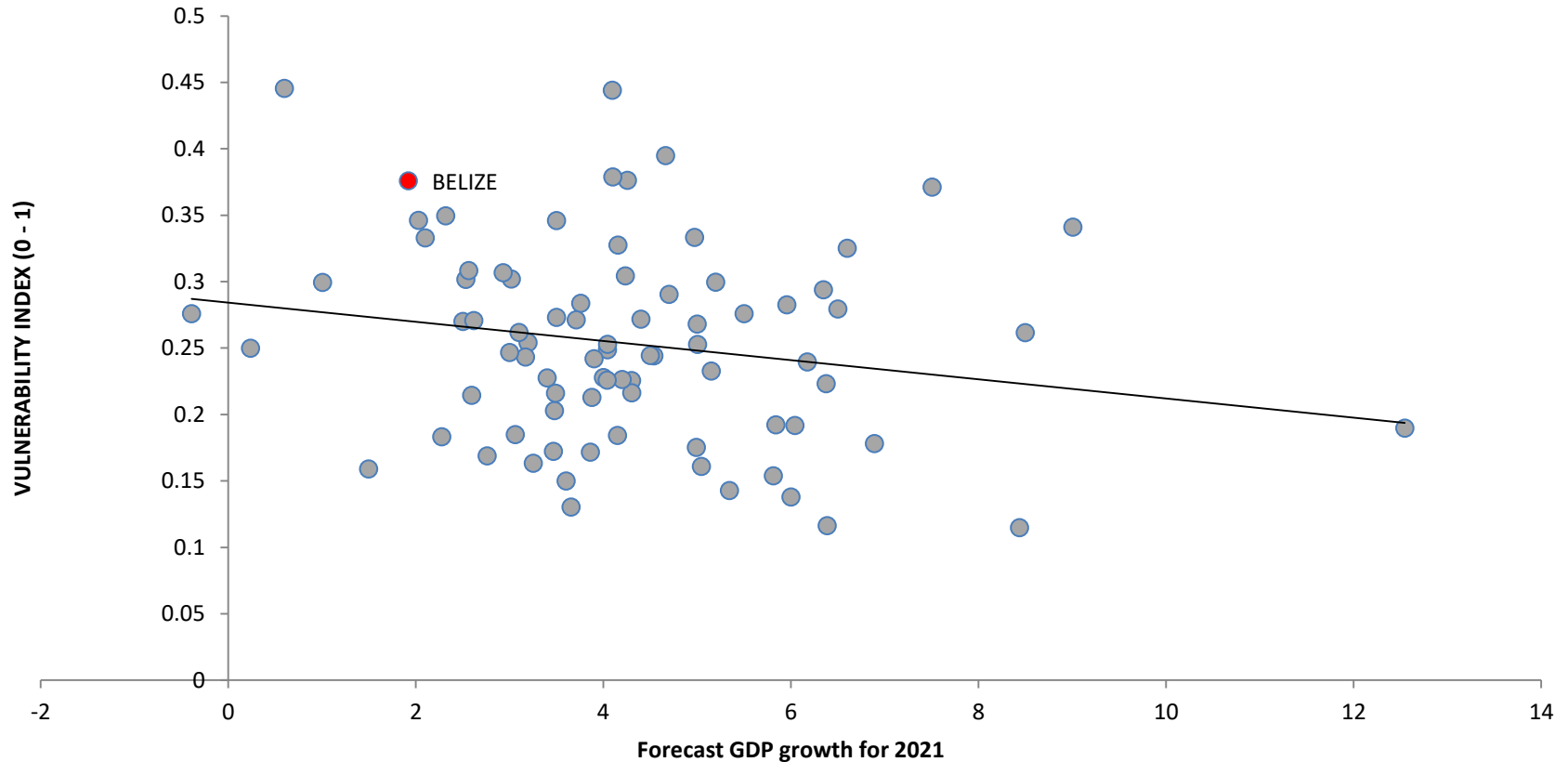
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MULTI-DIMENSIONAL VULNERABILITY INDEX AND RANK 2017

	Rank	Index	Export Concentration	Export Destination	Strategic Imports	External Finance	Social Susceptibility	Natural Hazards and Climate Change
Anguilla	9	0.54	0.78	0.68	0.46	0.41	0.39	0.55
Antigua and Barbuda	10	0.54	0.93	0.42	0.56	0.31	0.60	0.42
Bahamas, The	6	0.57	0.74	0.96	0.62	0.28	0.52	0.30
Barbados	3	0.48	0.71	0.62	0.66	0.34	0.45	0.10
Belize	4	0.59	0.82	0.77	0.61	0.39	0.71	0.23
Cayman Islands	14	0.48	0.65	0.98	0.26	0.50	0.07	0.40
Dominica	11	0.54	0.54	0.38	0.61	0.40	0.62	0.66
Grenada	5	0.58	0.78	0.58	0.65	0.38	0.69	0.39
Guyana	7	0.56	0.72	0.43	0.61	0.44	0.61	0.56
Haiti	1	0.71	0.76	0.96	0.74	0.60	0.64	0.59
Jamaica	3	0.61	0.68	0.89	0.64	0.54	0.68	0.20
Montserrat	16	0.42	0.39	0.22	0.64	0.41	0.62	0.24
Saint Kitts and Nevis	8	0.55	0.60	0.69	0.49	0.33	0.61	0.42
Saint Lucia	2	0.63	0.93	0.75	0.72	0.35	0.68	0.34
Saint Vincent and the Grenadines	12	0.52	0.66	0.25	0.64	0.43	0.78	0.33
Suriname	15	0.47	0.81	0.68	0.28	0.11	0.56	0.35
Trinidad and Tobago	17	0.34	0.71	0.45	0.16	0.22	0.51	0.00
AVERAGE		0.54	0.72	0.63	0.55	0.38	0.57	0.36

Vulnerable Economies Naturally have SLOWER Recovery Speeds

Vulnerability Index and Forecasted GDP 2021



UNDERSTANDING OUR ECONOMY



Central Bank of Belize

WHY CAN'T GOB JUST 'PRINT MONEY'? -- (Excerpt from "Understanding our Economy: CBB)

Creating money is not the same as printing money. While creating money is linked directly to foreign exchange earned and credit extended by the banking system, printing money (or deficit financing) refers to the financing of Central Government's deficit by borrowings from the Central Bank. Under such a scenario, a government would be contributing to the demand for foreign exchange without contributing to the supply of foreign exchange. This is particularly so when government borrows from the Central Bank to finance recurrent expenditure such as wages/salaries or goods and services.

Cont'd

- On the other hand, when surplus funds are placed in the banking system, they would be used to extend loans to the public thereby increasing the money supply and consequently the **demand for foreign exchange**.

AT THE SAME TIME: TREATMENT FOR 'THIS' Recession?

Press Briefing: World Economic Outlook

IMF Economic Counsellor and Research Department Director Gita Gopinath and the authors of the April 2021 World Economic Outlook (WEO) present growth forecasts.

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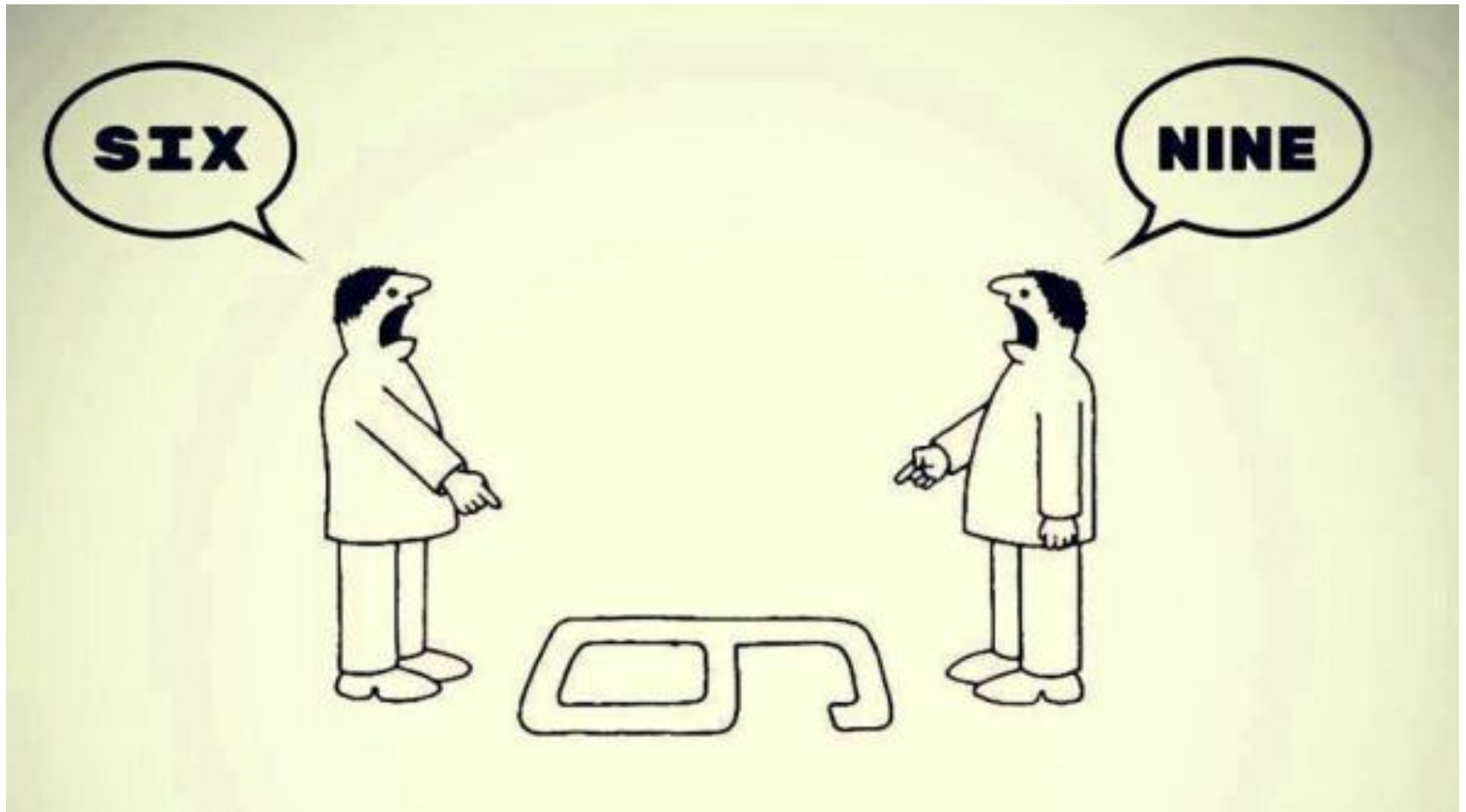
IMF

“Recoveries are also diverging dangerously across and within countries, as Economies with (a) slower vaccine rollouts, (b) more **LIMITED [FISCAL] POLICY SUPPORT**, and (c) **MORE RELIANT ON TOURISM** do less well.”

GITA GOPINATH

CHIEF ECONOMIST & DIRECTOR, RESEARCH DEPARTMENT, IMF

This is where everyone ends up like this:



Are all options on the table?

Fiscal adjustment should rely on both expenditure and revenue measures. With regard to expenditures, the authorities are appropriately focusing on reducing the wage bill and purchases of goods and services. The public sector wage bill is a large share of GDP in Belize than in other countries. The authorities could also create savings. Over the long term, a disaster reserve fund to fund the wage bill and targeted social spending. On the revenue side, the number of zero-rated items is high. The authorities could consider the standard GST rate instead, and compare it with peer countries. GST revenue could be increased by the standard GST rate instead of the reduced rate levied on room revenue administration. Other ways to mobilize revenues include lowering the income tax, increasing excise tax, and improving tax administration.

Public Disclosure Authority

GOVERNANCE COVID-19 RESPONSE

Managing the Public Sector Wage Bill during
COVID-19

... Second, if the wage bill is reduced to fund expenditures for income support efforts, in the absence of effective safety net programs, there is uncertainty about whether these savings will flow to the poor and needy. Public sector employees are among the few with relative job security, and **curbing their household consumption ability could further suppress economic demand.**



Trade Rules Options: **GATT Article 18** **(& by extension RTC Article 43)**



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BALANCE OF PAYMENTS

21 JULY 2017

Ecuador confirms final removal of import surcharges

WTO members welcomed Ecuador's announcement that it has completely removed import surcharges imposed in 2015 to address the country's deteriorating balance of payments situation. Ecuador told a meeting of the WTO's Committee on Balance-of-Payments Restrictions on 21 July that the final phase-out of the surcharges was made effective on 1 June.



Canada 



High-Level Meeting with Heads of State and Government on the International Debt Architecture and Liquidity

Co-convened by Canada, Jamaica
and the United Nations

Monday March 29 2021
10:00AM - 1:00PM EDT

The event will begin shortly

PRESS RELEASE

Belize Delegation Participates in World Bank/IMF's Spring Meetings

Belmopan. April 12, 2021. 10:30 a.m.

On April 10, 2021, a Belizean delegation participated virtually in the World Bank/IMF's Spring Meetings. Led by Hon. Christopher Coye, Minister of State in the Ministry of Finance, Economic Development and Investment, the delegation included Mrs. Narda Garcia, CEO in the Office of the Prime Minister, and Mrs. Elvira Mendez, Belize's Counsellor to the IDB's Office of Executive Directors.

In his address to the virtual forum, Minister Coye highlighted the critical condition of the nation's economy in the wake of the COVID-19 pandemic, exacerbated by a drought that decimated crops in 2019 and 100-year floods caused by hurricanes Eta and Iota in 2020. In numbers, he explained, "the effect has been dramatic with economic contraction exceeding 14%, debt-to-GDP skyrocketing to 130%, unemployment approaching 30%, fiscal revenue shortfall near 30% and a primary deficit around 8% of GDP."

Minister Coye also pointed to the pressing discussion of debt relief that must take a position of priority, noting that "as challenging as Belize's experience has been, as a deemed middle-income country (MIC), Belize, like other MICs, has not been a beneficiary of the Debt Service Suspension Initiative. Belize has not been the recipient of resources under the IMF's Rapid Credit Facility. Belize is not likely to be eligible under the Common Framework. Belize has not been the beneficiary of any debt relief whatsoever."

In closing, Minister Coye expressed the hope, on behalf of small states like Belize, for meaningful debt relief, grant and concessionary funding to successfully avert the dual debt and climate crises with a view to long-term climate resiliency and sustainable economic recovery and transformation.

Ends

UN Sec. Gen. on Treatment “Reform”

"Richer countries have benefited from an unprecedented \$16 trillion of emergency support measures, preventing a downward spiral, and setting the stage for recovery.

"**But many developing countries cannot invest in recovery and resilience, because of financing constraints.** The least developed countries have spent 580 times less in per capita terms on their COVID-19 response than advanced economies.

Developing countries **NEED ACCESS TO ADDITIONAL LIQUIDITY TO RESPOND TO THE PANDEMIC, and TO INVEST IN RECOVERY.**

Excellencies,

From the start of the pandemic, we have advocated for a three-phase approach to debt:

- First, a moratorium on debt payments;
- Second, targeted debt relief;
- Third, reforms to the in **DEBT ARCHITECTURE**

This includes the RATING AGENCIES like S&P and Moody's

"We strongly believe that the **Debt Service Suspension Initiative** must be extended into 2022, and made also available to highly indebted, **vulnerable** Middle-Income Countries that request it."

WHILE the world Debates Reform, IN THE INTERIM?

Things that can help (at least as outlined in the BUDGET speech)

\$10 million for 238,800 additional vaccines to be acquired on discounted terms through the COVAX facility

\$3 million for the ongoing food assistance program

\$7 million for improvement to the tax collection system so that tax evasion and underpayments can be substantially reduced;

Improve the Business Environment (DBI domains targeted & all around “E-governance”);

Capital Market and other key legislation (credit bureau, etc);

Central Bank (Amendment) Act was (in my opinion) a good move