

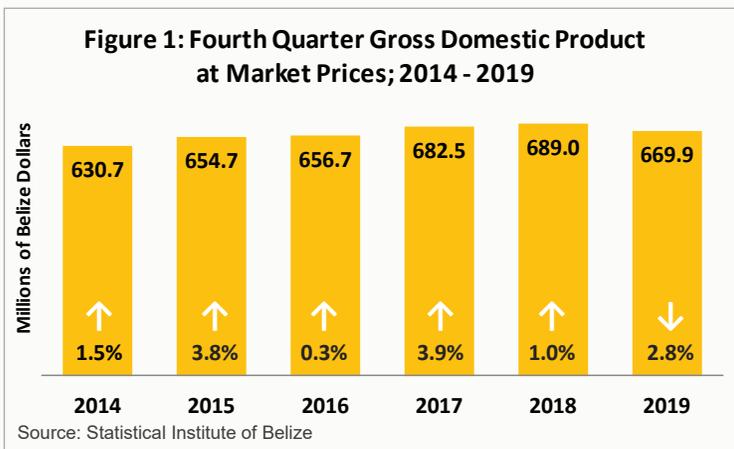


GDP GROSS DOMESTIC PRODUCT

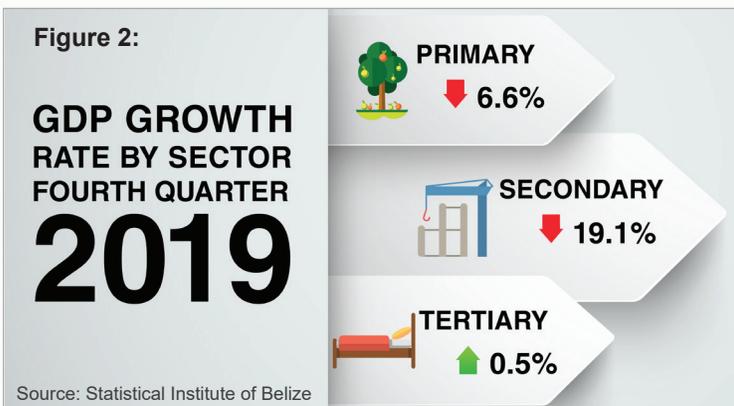
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ECONOMY DECLINES 2.8% IN FOURTH QUARTER 2019: PROLONGED DRY WEATHER IMPACTS PRIMARY AND SECONDARY INDUSTRIES

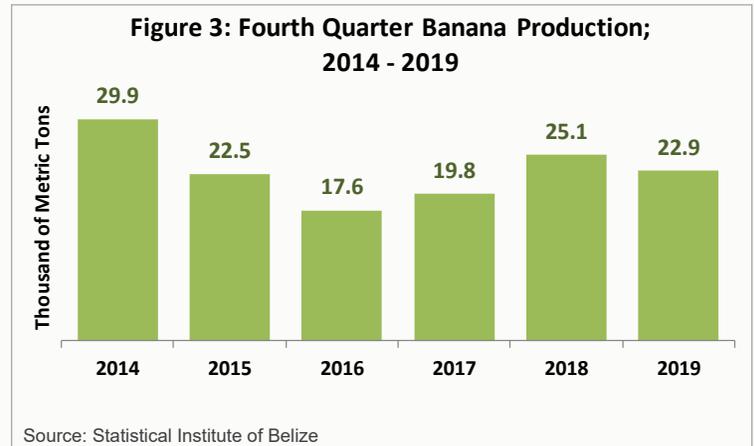
The Statistical Institute of Belize's Gross Domestic Product estimates for the fourth quarter of 2019 showed that the country's overall level of economic activity decreased by 2.8 percent when compared to the fourth quarter of 2018. During the months of October to December 2019, the total value of goods and services produced within Belize were valued at \$669.9 million, down \$19 million from \$689 million during the fourth quarter of 2018. It is also the first fourth quarter decline seen since 2011 (see Figure 1).



Prolonged dry weather conditions resulted in reduced or stalled production across several major industries in both the primary and secondary sectors, while tertiary activities grew slightly by 0.5 percent as government services along with transport and communication services increased (see Figure 2).

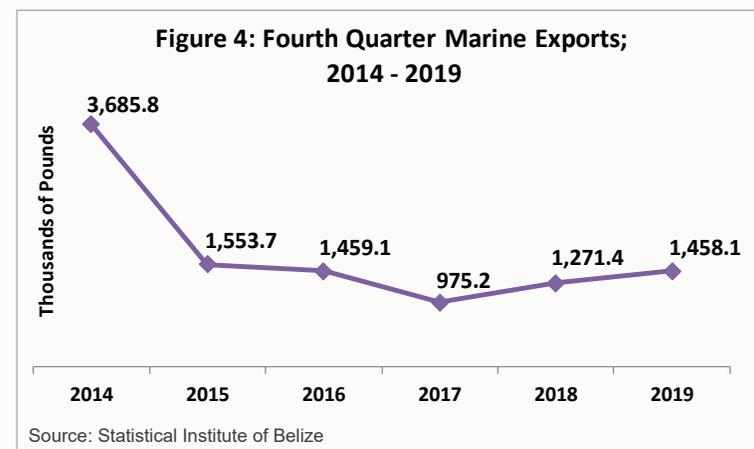


PRIMARY ACTIVITIES: The primary sector contracted by 6.6 percent during the fourth quarter of 2019 when compared to the same period of 2018, as all three of the country's major crops saw a decline during the last three months of the year. Unfavourable dry weather conditions during the latter part of 2019 caused a decrease in banana production from 25.1 thousand metric tons during the fourth quarter of 2018 to 22.9 thousand metric tons in the fourth quarter of 2019 (see Figure 3). In the case of sugarcane production, dry weather conditions resulted in underdeveloped sugarcane that could not be harvested, causing a late start to the season. As a result, no sugarcane was produced during the last three months of 2019. Citrus fruit production also declined during this period by a significant 6.4 thousand metric tons, from 8.9 thousand metric tons in the fourth quarter of 2018 to just 2.5 thousand metric tons in the same quarter of 2019. This was as a consequence of the late start to the harvesting period for the first crop of oranges during the year. Additionally, the fruits being harvested were smaller in size, the combined effect of prolonged dry weather

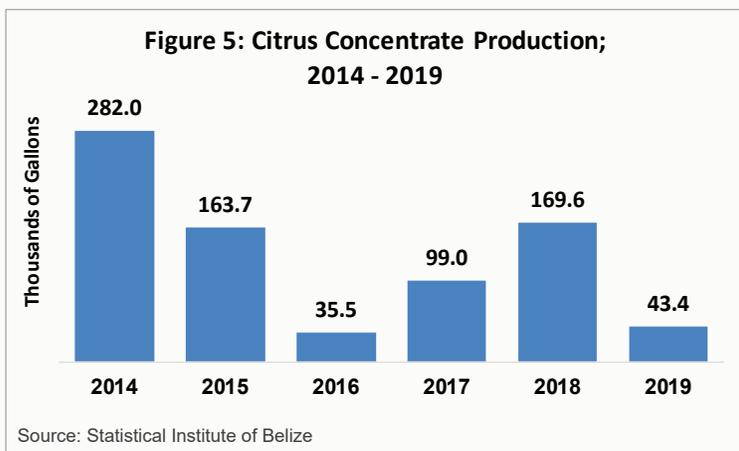


and citrus greening disease, which the industry continues to grapple with.

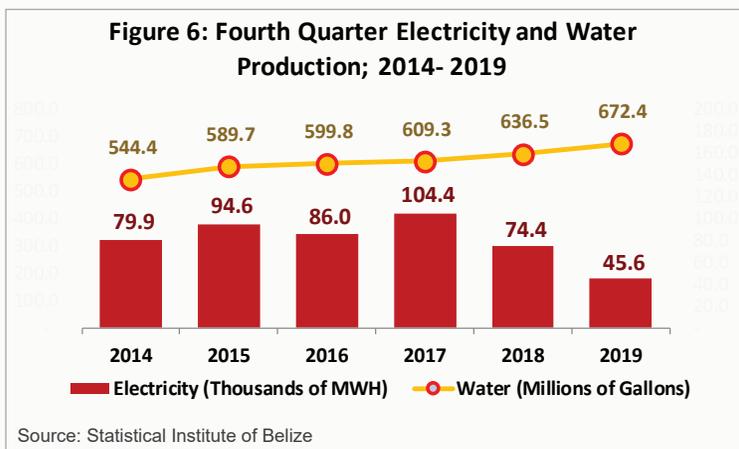
Reduced output in these major agricultural industries overshadowed increases in both livestock and fishing. Animal production increased across all livestock categories, resulting in an 8.2 percent growth in the livestock industry. Cattle and pig production grew by 20 percent and 34.1 percent, respectively, both attributed to increased market demand from neighbouring countries coupled with an increase in local demand. Poultry production rose by 1.7 percent during the quarter, as producers chose to slaughter birds earlier than usual, in order to avoid a high mortality rate due to the extreme heat. The fishing industry also recorded an increase in output, growing by 14.7 percent, with strong performances among conch, lobster tail and whole fish exports. Shrimp and lobster meat exports, on the other hand, both decreased during the quarter (see Figure 4).



SECONDARY ACTIVITIES: The secondary sector decreased by 19.1 percent during the fourth quarter of 2019. The 'Manufacturing and Mining' subsector experienced a 5.7 percent decline in output, with several of the larger industries within this sector declining during the period. Crude Petroleum output was down from 71.2 thousand barrels to 64.9 thousand barrels, due to the continued natural depletion of oil reserves. Sugar production suffered from a lack of sugarcane deliveries and there was no sugar produced in the fourth quarter of 2019. Additionally, the decline in citrus fruit deliveries resulted in a significant 73 percent less orange concentrate and 75 percent less grapefruit concentrate being produced (see Figure 5). Nonetheless, some commodities did exhibit positive growth in the fourth quarter of 2019. Flour production rose by 11 percent, while increased outputs of soft drinks and beers led to a 3.2 percent growth in beverage production.



The prolonged dry weather during the fourth quarter resulted in a sharp decrease of 30.9 percent in the 'Electricity and Water' subsector (see Figure 6). Hydroelectricity plants were severely impacted and electricity generation decreased by 38.8 percent compared to the fourth quarter of 2018. Conversely, the dry weather had the opposite effect on water generation, as the demand for water increased and output during the quarter was up by 5.7 percent. The 'Construction' subsector saw a 25.7 percent decline in output, reflected in a decrease in loans for construction along with a drop in cement imports for the fourth quarter of 2019.



TERTIARY ACTIVITIES: The tertiary sector grew slightly by 0.5 percent during the fourth quarter of 2019 in comparison to the fourth quarter of 2018. The 'Transport, Storage and Communication' subsector expanded by 2.4 percent, while 'Government Services' increased by 2.5 percent. On the other hand, the 'Hotels and Restaurants' subsector decreased by 5.7 percent during the quarter. Despite a 1.4 percent increase in overnight tourist arrivals to the country and a 1.1 percent rise in hotel room revenue, the tourism industry was impacted by having 15 fewer cruise ship calls during the fourth quarter of 2019. This resulted in a considerable reduction in the number of cruise arrivals, from 338,000 persons in the fourth quarter of 2018 to 282,200 persons in fourth quarter of 2019 (See Figure 7). In addition, the 'Wholesale and Retail' subsector saw a decrease of 1.5 percent during the final three months of 2019.

