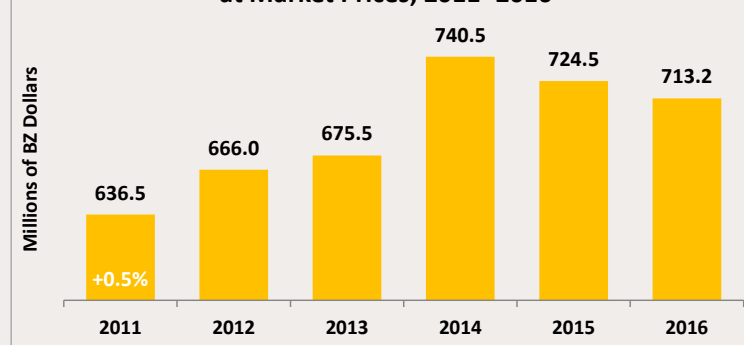


ECONOMIC ACTIVITY DOWN 1.6% IN SECOND QUARTER: SLOWDOWN IN AGRICULTURE AND MANUFACTURING

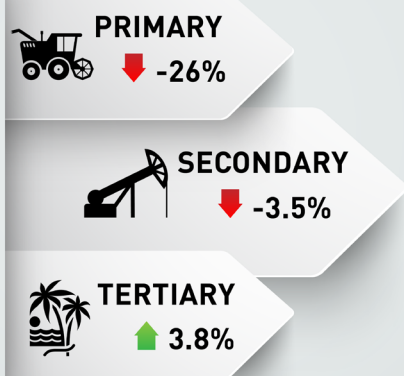
For the three months from April to June 2016, the level of economic activity for the country of Belize declined by 1.6 percent in comparison to the same period in 2015. Estimates by the Statistical Institute of Belize indicate that the total value of goods and services produced during this period was \$713.2 million, down \$11.3 million from the \$724.5 million produced during the second quarter of 2015.

Figure 1: Second Quarter Gross Domestic Product at Market Prices; 2011- 2016



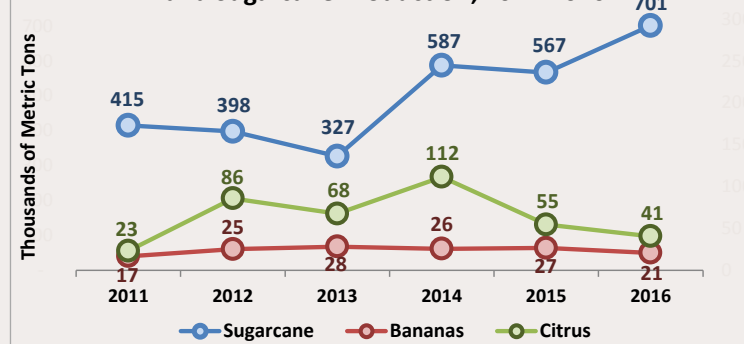
PRIMARY ACTIVITIES: The primary sector experienced a sharp drop of 26 percent during the second quarter, as several major industries recorded downturns during this period. Citrus production was down by one fourth from the second quarter of 2015, with 14,000 fewer boxes of orange fruit being delivered. This was as a result of smaller crops, aging fruit trees, and adverse weather conditions which affected fruit maturity. The closure of one of the large banana farms coupled with the lingering effects of bad weather conditions led to a 22 percent reduction in banana production. Marine production also saw a sharp decline as the shrimp industry, its top export earner, continued to struggle.

**Figure 2:
GDP GROWTH
RATE BY SECTOR
SECOND QUARTER
2016**



Sugarcane production, on the other hand, rose by 24 percent during the period, due to an earlier start to the crop season as well as the addition of a new producer in the Cayo district. Logging and forestry activities also saw a significant increase, with sawn wood exports rising by 60 percent during the quarter.

Figure 3: Second Quarter Banana, Citrus and Sugarcane Production; 2011-2016

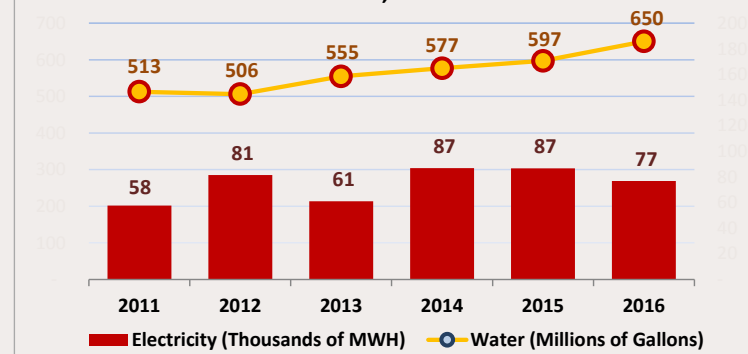


SECONDARY ACTIVITIES: Manufacturing activities recorded a decrease of 3.5 percent compared to the second quarter of 2015. Citrus concentrate production declined by one third, from 1.3 million gallons in the second quarter of 2015 to less than a million gallons in the same three months of 2016. Despite an increase in sugarcane deliveries, sugar production was down 12 percent, due to a decrease in the rate of sugar extraction caused by lower sugarcane quality.

With the Spanish Lookout oil field the only site still in operation, crude petroleum extraction continued to dwindle, dropping by 14 percent during the quarter. Electricity generation fell by 11 percent compared to the second quarter of 2015, as dry weather experienced during the months of March and April lowered reservoir water levels which, in turn, adversely affected hydroelectric power production.

Nonetheless, there were some bright spots within the secondary sector. Construction activities expanded by 12 percent, due to continued investment in infrastructure projects, while water production was up by 9 percent, as service continued to be expanded to rural communities.

Figure 4: Second Quarter Electricity and Water Production; 2011 - 2016



TERTIARY ACTIVITIES: The services sector, which accounts for well over one half of the country's economic activities, grew by 3.8 percent during the second quarter of 2016. Wholesale and retail trade activities saw a moderate increase of 2 percent, while tourism recorded a strong performance, growing by 13 percent when compared to the same three month period in 2015. With the addition of seven new cruise ships visiting Belize, the number of cruise visitors jumped by almost 30,000. The number of overnight visitors also saw a substantial increase of 13,000 persons over the period.

Figure 5: Second Quarter Tourist Arrivals (Thousands of Tourists); 2011 - 2016

