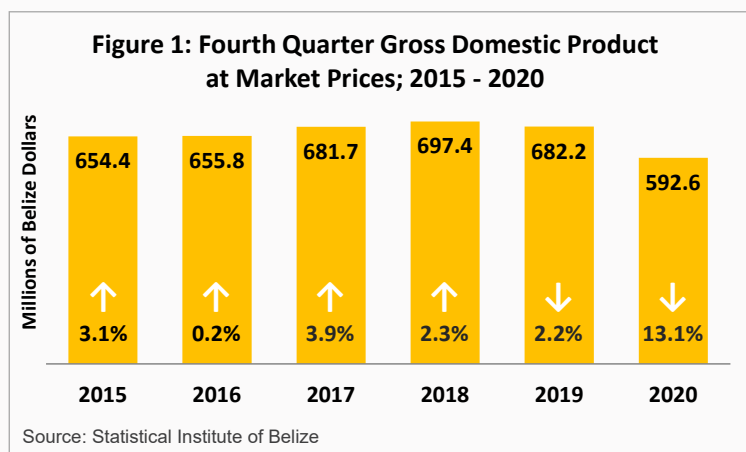
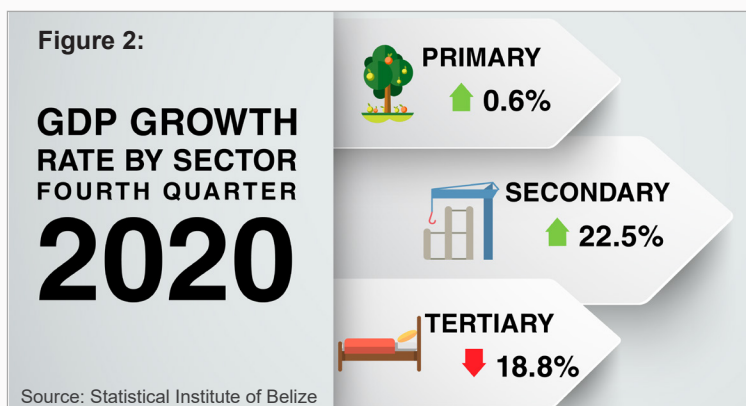


BELIZEAN ECONOMY DECLINED 13.1% IN FOURTH QUARTER 2020

The Statistical Institute of Belize's preliminary fourth quarter Gross Domestic Product estimates showed that, during the months of October to December 2020, the overall level of production for the country of Belize declined by 13.1 percent in comparison to the same three months in 2019. The total value of goods and services produced within the country for this period stood at \$592.6 million, down \$89.6 million from \$682.2 million produced in the fourth quarter of 2019 (see Figure 1).

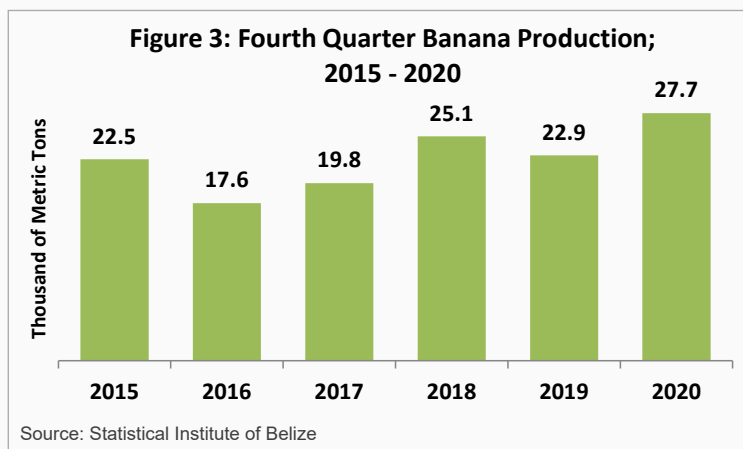


The services sector remained the most severely impacted by COVID-19, decreasing by 18.8 percent during the fourth quarter. Despite the reopening of the international airport to international travelers in October of 2020, only a marginal number of tourist arrivals were recorded. Additionally, significant decreases were seen in the 'Wholesale and Retail Trade' and 'Transport, Storage and Communication' industries as well as in 'Taxes on Products'. On the other hand, the primary sector increased by 0.6 percent, attributed to growth within agricultural industries, while the secondary sector expanded by 22.5 percent, mainly due to a rise in the 'Electricity and Water' industry (see Figure 2).

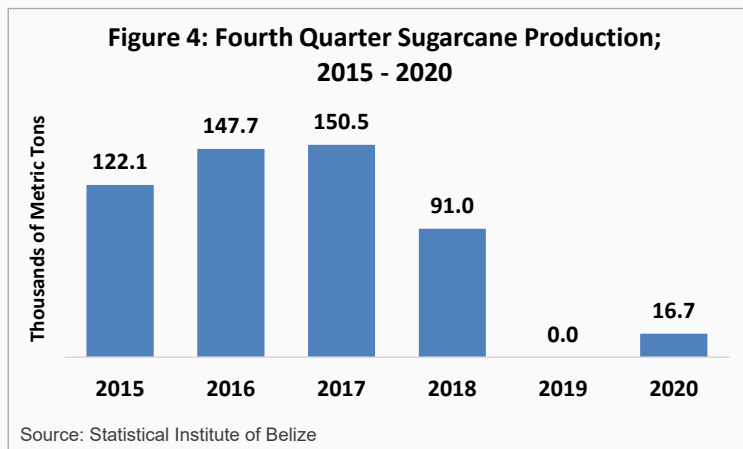


PRIMARY ACTIVITIES:

Production within the primary sector grew by a marginal 0.6 percent or \$0.3 million to a total of \$54.3 million during the fourth quarter of 2020, when compared to the same period in 2019. All industries within 'Agriculture, Hunting and Forestry' recorded increased outputs during the period. Improved weather conditions following the severe drought experienced in 2019, coupled with an increase in acreage, contributed to a 20.6 percent increase in banana output, from 22.9 thousand metric tons in the fourth quarter of 2019 to 27.7 thousand metric tons in the fourth quarter of 2020 (see Figure 3). Notwithstanding a late start to the crop season, 16.7 thousand metric tons of



sugarcane were delivered during the fourth quarter of 2020, in contrast to 2019, when no sugarcane was harvested during this same period (see Figure 4). Citrus fruit deliveries also grew during the quarter, as weather conditions resulted in a late crop. Deliveries increased by 28 percent from 2.5 thousand metric tons in quarter four of 2019 to 3.1 thousand metric tons in quarter four of 2020.

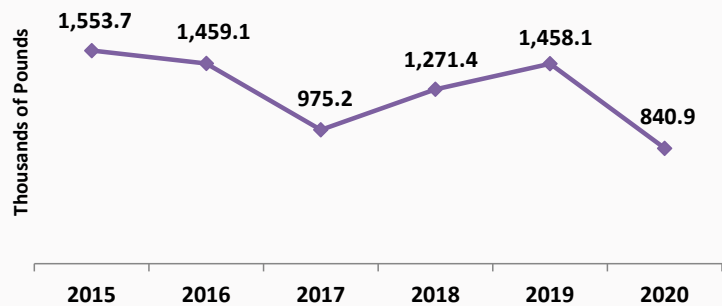


The 'Livestock' industry recorded a marginal 1 percent rise in output during the period. Increased market demand from neighboring countries, coupled with an increase in local demand, grew overall cattle production by 20.8 percent from 8,600 heads in the fourth quarter of 2019 to 10,400 heads in the fourth quarter of 2020. Poultry producers experienced a 3.3 percent decrease in production, attributed to reduced demand from restaurants, while pig production dropped by 14.2 percent. The 'Fishing' industry decreased by 42.3 percent during the fourth quarter of 2020, mainly due to a sizeable drop in both shrimp and lobster meat exports, resulting in a sharp drop in marine exports from 1,458.1 thousand pounds in 2019 to 840.9 thousand pounds in 2020 (see Figure 5).

SECONDARY ACTIVITIES:

Production within the secondary sector increased by 22.5 percent or \$17.3 million during the fourth quarter of 2020 when compared to the same quarter in 2019, with output totaling \$94 million during the period. The main driver behind this increase was the 'Electricity and Water' industry, which more than doubled during the quarter, with electricity generation alone rising by a significant 142.3 percent. In contrast to the prolonged dry weather conditions experienced in 2019, the fourth quarter saw heavy rainfall, the effects of Hurricane Iota and Hurricane Eta, resulting in a significant increase in the hydroelectric power

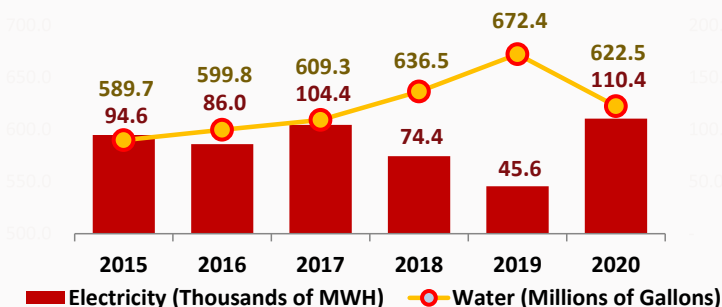
Figure 5: Fourth Quarter Marine Exports; 2015 - 2020



Source: Statistical Institute of Belize

supply. Production grew from 45.6 thousand megawatt hours in the fourth quarter of 2019 to 110.4 thousand megawatt hours in the fourth quarter of 2020. The heavy rains, however, had the opposite effect on water consumption, which decreased by 7.4 percent during the quarter, from 672.4 million gallons to 622.5 million gallons (see Figure 6). Construction activities grew by 7.1 percent, as evidenced by an increase in loans for building and construction as well as a rise in cement imports.

Figure 6: Fourth Quarter Electricity and Water Production; 2015- 2020



Source: Statistical Institute of Belize

Conversely, the 'Manufacturing and Mining' industry decreased by 11.2 percent. Within this industry, beverage production continued to suffer from the lack of tourist visitors to the country and reduced demand from restaurants and bars due to COVID-19. Beer production dropped by 15.3 percent, while soft drink production saw only a marginal increase of 1 percent. A decline in other manufactured goods was also observed. Flour production was down by 18.2 percent compared to the fourth quarter of 2019, owing to reduced domestic demand for local flour. Crude petroleum extraction continued its steady decline, falling by 24.6 percent, as approximately 16 thousand fewer barrels were extracted from reservoirs during the period.

Despite an overall decrease in the 'Manufacturing and Mining' industry, a rise in citrus fruit deliveries resulted in an 18.4 percent increase in citrus concentrate production, from 43.4 thousand gallons in the fourth quarter of 2019 to 51.4 thousand gallons during the same period in 2020. Similarly, while there was no sugar produced during the fourth quarter of 2019, some 0.7 thousand metric tons was produced during the fourth quarter of 2020.

TERTIARY ACTIVITIES:

The tertiary sector, which accounted for 61.4 percent of total GDP during the fourth quarter of 2020, was the main cause of the overall decline in output. Production of services totaled \$363.7 million, down 18.8 percent or \$84.4 million from \$448 million in the fourth quarter of 2019. Within this sector, the 'Wholesale and Retail Trade' industry contracted by 22.1 percent, as reflected in reduced imports of 'Crude Materials', Mineral Fuels and Lubricants', 'Machinery and Transport Equipment' and 'Manufactured Goods' during the period. Despite the reopening of the international airport in October 2020, activities within the 'Hotels and Restaurants' subsector remained virtually nonexistent compared to previous years. Overnight tourist

arrivals were down by 85.6 percent in comparison to the fourth quarter of 2019, from approximately 120,000 visitors to just 17,000 visitors (see Figure 7a and Figure 7b). Nationwide restrictions due to COVID-19 also interrupted land, sea and air transportation, resulting in a 20.4 percent decline in the 'Transport, Storage and Communication' industry. Additionally, 'Government Services' declined by 3.3 percent.

Figure 7a: Cruise Ship Tourist Arrivals Fourth Quarter; 2015-2020 (thousands of tourists)

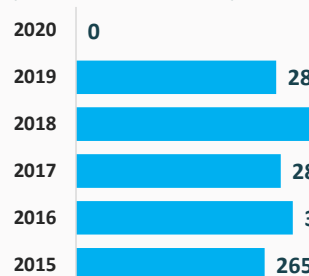
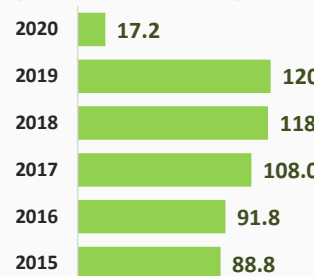


Figure 7b: Overnight Tourist Arrivals Fourth Quarter; 2015-2020 (thousands of tourists)

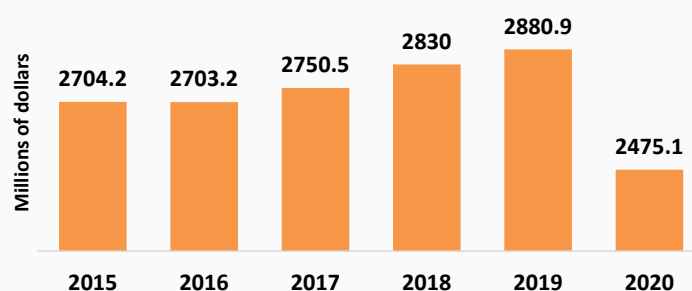


Source: Statistical Institute of Belize

ANNUAL GDP 2020:

Preliminary annual estimates for 2020 indicate that the economy contracted by 14 percent during the year, with the total value of goods and services produced in the country falling from \$2,880.9 million in 2019 to \$2,475.1 million in 2020 (see Figure 8). Throughout most of the year, the country suffered the

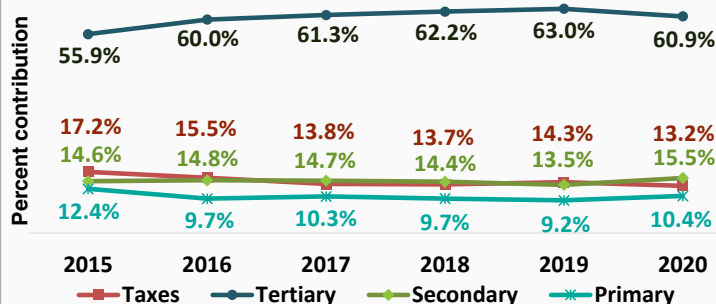
Figure 8: Annual Gross Domestic Product; 2015-2020



Source: Statistical Institute of Belize

devastating economic effects of COVID-19, which hit the tertiary sector particularly hard and greatly overshadowed growth experienced in the primary and secondary sectors during the second half of the year, as the country began to recover from the prolonged dry weather conditions of 2019. International travel resumed in October 2020; however, tourist arrival numbers, which had dwindled to near zero for much of the year, remained extremely low. During the second quarter of 2020, the largest quarterly GDP decline to date was recorded, as the economy contracted by 23 percent, mainly due to decreases within the services sector. This rapid decline in tertiary activities was also evident in a reduction in the sector's relative contribution to total GDP for the year, when compared to previous years (see Figure 9).

Figure 9: Contributions to Gross Domestic Product by Sector; 2015-2020



Source: Statistical Institute of Belize