



“From Promise to Performance”

BUDGET SPEECH

FOR

FISCAL YEAR 2025/2026

Hon. John Briceno

Prime Minister and Minister of Finance,

Investment, Economic Transformation,

Civil Aviation and E-Governance

Belmopan, Belize

Monday, May 12, 2025

(Please check against delivery)

SUMMARY OF RECURRENT AND CAPITAL BUDGETS (Dollars)

FY 2022/2023 to FY 2027/2028							
	ACTUAL OUT-TURN FY 2022/23	ACTUAL OUT-TURN FY 2023/24	APPROVED BUDGET FY 2024/25	PROJECTED OUT-TURN FY 2024/25	SUBMITTED BUDGET FY 2025/26	FORECAST FY 2026/27	FORECAST FY 2027/28
TOTAL REVENUES AND GRANTS	\$1,320,330,231	\$1,461,994,602	\$1,519,112,639	\$1,646,488,440	\$1,740,629,890	\$1,812,796,182	\$1,783,445,172
RECURRENT REVENUE	\$1,285,724,321	\$1,426,494,290	\$1,483,087,643	\$1,619,048,449	\$1,657,285,126	\$1,698,717,255	\$1,741,185,188
TAX REVENUE	\$1,185,544,713	\$1,348,638,898	\$1,387,797,564	\$1,488,233,674	\$1,522,122,716	\$1,560,175,784	\$1,599,180,179
INCOME & PROFITS	\$313,902,461	\$359,176,577	\$365,430,624	\$474,656,631	\$472,540,185	\$484,353,690	\$496,462,532
TAXES ON PROPERTY	\$7,872,981	\$6,044,267	\$7,174,188	\$6,688,647	\$6,546,622	\$6,710,288	\$6,878,045
TAXES ON INT'L TRADE & TRANSACTIONS	\$223,655,229	\$217,659,442	\$223,528,584	\$231,715,427	\$242,574,519	\$248,638,882	\$254,854,854
TAXES ON GOODS & SERVICES	\$640,114,042	\$765,758,612	\$791,664,168	\$775,172,969	\$800,461,390	\$820,472,924	\$840,984,748
NON-TAX REVENUE	\$100,179,608	\$77,855,392	\$95,290,079	\$130,814,775	\$135,162,410	\$138,541,471	\$142,005,009
PROPERTY INCOME	\$36,433,989	\$11,731,054	\$16,167,383	\$26,590,304	\$28,909,207	\$29,631,938	\$30,372,736
LICENCES	\$18,048,808	\$20,615,564	\$25,796,136	\$48,490,179	\$49,563,959	\$50,803,058	\$52,073,135
ROYALTIES	\$11,581,132	\$9,353,261	\$15,146,076	\$16,993,155	\$17,426,573	\$17,862,237	\$18,308,793
GOVERNMENT MINISTRIES	\$33,696,858	\$35,359,555	\$36,888,420	\$37,858,678	\$38,358,153	\$39,317,107	\$40,300,035
REPAYMENT OF OLD LOANS	\$418,821	\$795,958	\$1,292,064	\$882,459	\$904,518	\$927,131	\$950,310
CAPITAL REVENUES:	\$6,576,470	\$6,670,003	\$6,024,996	\$8,118,812	\$11,559,040	\$11,848,016	\$12,144,217
SALE OF EQUITY	\$61,700	\$65,950	\$24,996	\$43,298	\$429,571	\$440,310	\$451,318
SALE OF CROWN LANDS	\$6,514,770	\$6,604,053	\$6,000,000	\$8,075,514	\$11,129,469	\$11,407,706	\$11,692,899
GRANTS	\$28,029,440	\$28,830,309	\$30,000,000	\$19,321,179	\$71,785,724	\$102,230,911	\$30,115,767
TOTAL EXPENDITURES	\$1,367,962,367	\$1,633,417,499	\$1,604,957,811	\$1,664,483,564	\$1,782,236,287	\$1,914,529,535	\$1,598,257,772
TOTAL RECURRENT EXPENDITURE	\$1,049,270,586	\$1,170,348,181	\$1,174,228,214	\$1,225,962,395	\$1,253,358,169	\$1,266,384,945	\$1,264,472,591
PERSONAL EMOLUMENTS	\$449,645,303	\$482,204,133	\$476,796,152	\$502,949,649	\$584,264,942	\$586,759,300	\$591,061,100
PENSIONS & EX-GRATIA	\$98,244,580	\$110,316,720	\$110,059,536	\$132,187,336	\$113,755,995	\$115,255,995	\$115,255,995
GOODS & SERVICES	\$220,023,035	\$261,353,145	\$290,826,366	\$285,219,267	\$296,114,095	\$287,695,528	\$284,133,033
SUBSIDIES AND CURRENT TRANSFERS	\$181,229,164	\$175,671,166	\$180,121,164	\$186,222,236	\$111,240,190	\$109,986,765	\$109,465,418
DEBT SERVICE-INTEREST & OTHER CHARGES	\$100,128,504	\$140,803,017	\$116,424,996	\$119,383,907	\$147,982,947	\$166,687,357	\$164,557,045
TOTAL CAPITAL EXPENDITURES	\$318,691,781	\$463,069,318	\$430,729,597	\$438,521,169	\$528,878,118	\$648,144,590	\$333,785,181
CAPITAL II EXPENDITURES	\$202,187,333	\$349,271,648	\$276,848,480	\$344,327,823	\$336,665,629	\$274,679,979	\$252,322,792
CAPITAL III EXPENDITURES	\$115,911,788	\$113,022,415	\$146,582,489	\$85,162,258	\$184,913,865	\$366,165,987	\$74,163,765
CAPITAL TRANSFER & NET LENDING	\$592,660	\$775,255	\$7,298,628	\$9,031,088	\$7,298,624	\$7,298,624	\$7,298,624
RECURRENT SURPLUS/(DEFICIT)	\$236,453,735	\$256,146,109	\$308,859,429	\$393,086,054	\$403,926,957	\$432,332,310	\$476,712,597
PRIMARY SURPLUS/(DEFICIT)	\$52,496,368	-\$30,619,880	\$30,579,824	\$101,388,783	\$106,376,550	\$64,954,004	\$349,744,445
As Percentage of GDP	0.90%	-0.49%	0.46%	1.48%	1.52%	0.91%	4.80%
OVERALL SURPLUS/(DEFICIT)	-\$47,632,136	-\$171,422,897	-\$85,845,172	-\$17,995,124	-\$41,606,397	-\$101,733,353	\$185,187,400
As Percentage of GDP	-0.82%	-2.72%	-1.30%	-0.26%	-0.59%	-1.43%	2.54%
AMORTIZATION	-\$97,471,635	-\$122,793,840	-\$130,000,000	-\$92,274,347	-\$126,035,078	-\$132,001,930	-\$137,354,475
FINANCING	-\$145,103,771	-\$294,216,737	-\$215,845,172	-\$110,269,471	-\$167,641,475	-\$233,735,283	\$47,832,925
GDP (in billions of Bz) (Current prices)	5.803	6.313	6.592	6.859	6.997	7.137	7.279

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I – Introduction:

Madam Speaker,

I rise for the high purpose of presenting to this Honorable House and to the Belizean people our Government's annual Budget Report. As is customary, the report provides a comprehensive health check of the public finances, with an assessment of the actual performance of the 2024/25 National Budget and projections of revenues and expenditures for this new Fiscal Year 2025/26.

Normally, the Budget Presentation and Debate are scheduled for the month of March, prior to the start of Government's financial year on April 01.

This year's Budget Presentation has been delayed, as everyone knows, because of the General Elections that took place on March 12.

Such a delay, which is provided for in the Finance and Audit (Reform) Act, is not unusual. Those on the other side know this or should know it. For their benefit and others who have questioned the timing, let's recall that in 2012, after the General Election of March 07 that year, the Budget Presentation took place on June 29.

In 2008, after the General Election on February 07 of that year, the Government presented the National Budget on July 14.

Despite these precedents and others, I am informed that the new Leader of the Opposition has publicly suggested that the timing of Government's Budget Presentation is somehow irregular or suspicious.

This is disappointing. Has she not resolved to make a break with the past and behave differently from her predecessor? His repeated false flags, crying wolf at every shadow, embellishing and exaggerating at every turn, all led to calamity for him and the Opposition Party on the 12 of March .

To paraphrase the songwriter, it seems "you all are going through changes, but you haven't changed."

Now, what would the Opposition have said, I wonder, if the Government had tabled an early budget, with the impressive performance I will explain today, and filled that Budget with election plums, as previous Administrations have done?

The Opposition would have stomped their feet and raised their voices in protest.

Alas, as is now evident, an early budget was not necessary.

The people of Belize saw and felt the historic advances of the last four and a half years. And in their collective wisdom, they rewarded this Administration, for the second time, with 26 seats in this Honourable House. And the voters went further - they delivered a massive increase in our share of total votes, all the way up to a historic 68 percent.

More than anything else, we are convinced that this thunderous endorsement by the electorate, has to do with pocketbook policies; pocketbook policies that began right here with fiscal and economic practices that have engineered nothing short of a miraculous economic transformation during the four and a half years since this Administration took office in 2020.

The voters recognized that this is an Administration that turns promise into performance.

To set the table for this year's budget report and the new budget proposals, let me first recollect the crisis conditions that our Government encountered upon taking office back in 2020.

I will extrapolate from the Doctor's diagnostic – the IMF Report of the fiscal and economic health in 2020:

GDP had shrunk by 14.1 percent;

Tens of thousands were without work;

The salaries of public sector employees has been cut and increments canceled;

The overall budget deficit stood at 8.4 percent of GDP for FY 2020/21;

Public debt, at peak, was estimated at 132 percent of GDP and projected to remain menacingly high at 111 percent all the way in 2031.

And the most frightening assessment was this: “External financing is expected to gradually decline over time, worsening reserve adequacy and threatening the sustainability of the currency peg.”

In plain language, Belize faced default and devaluation.

Those were the dire circumstances of our starting point.

Look at where we are today and how far common sense, pocketbook policies have brought the country from promise to performance:

In 2024, according to recently published IMF data, Belize had the highest GDP growth rate in the Western Hemisphere, at 8.2 percent, second only to the oil exporting nation of Guyana.

97 out of every 100 Belizeans who seek jobs are now working. This Government has achieved a primary budget surplus each year in office. The minimum wage was raised for all workers by 50 percent, to \$5 per hour. And foreign direct investment has totalled \$1.12 billion over the four year period January 2021 - September of 2024.

Not only was default vanquished but the debt to GDP ratio currently stands at 61 percent, a level achieved 7 years ahead of the IMF's projected timeline.

Not only was devaluation vanquished, but the Belize dollar is stronger than ever, sustained by combined central bank and commercial banks foreign exchange deposits of almost \$2.2 billion.

Arguably, our most important achievement is the reversal of the poverty crisis we inherited, lifting thousands out of poverty – the national multidimensional poverty index is down to 22.1 percent, with substantial gains in 5 of our 6 districts. This Administration is constantly roused by the quality of life of our people, and that is why so much of the spending and investments I will unveil today focuses on education, health care, citizen security and infrastructure.

As I acknowledge the confidence lent us by the Belizean people in the recent election, I wish to salute, right at the outset of my presentation, the exemplary work of our public officers and teachers, of our private sector partners, of those in the NGO community and our external bilateral and multilateral partners, all of whom deserve a fair share of the praise for Belize's spectacular revival.

Moving from promise to performance, from the shifting sands of 2020 to the firm bedrock of 2025, is truly a story of teamwork.

II – Global, Regional and Domestic Conditions:

Global and Regional Conditions

In today's interconnected world, understanding the global and regional economic landscape is crucial for navigating the challenges and opportunities that lie ahead. Belize, like many other small, open economies, is influenced by a myriad of international developments that shape its economic trajectory.

The year 2024 was marked by a complex and challenging global economic environment. Countries worldwide grappled with fluctuating commodity prices, ongoing geopolitical tensions, climate-related disruptions, and evolving global supply chains. In response, major central banks implemented coordinated monetary policy adjustments to combat inflationary pressures, which influenced economic growth rates in many developed nations, resulting in a year of steady, albeit modest, global growth. In January 2025, the International Monetary Fund (IMF) projected that world output grew by 3.2 percent in 2024, slightly higher than the previous forecast due to the strong consumption in the United States, but this rate was below the historical average of 3.8 percent from 2000 to 2019, reflecting the persistent uncertainties and challenges faced by the global economy.

As 2025 began, there was a palpable sense of cautious optimism regarding the future of global economic growth. This optimism was fuelled by several encouraging signs of macroeconomic stabilization observed throughout 2024. Key indicators included a downward trend in policy interest rates, which helped to alleviate borrowing costs and stimulate investment. Additionally, inflationary pressures began to ease, providing relief to consumers and businesses alike. Labour markets also showed significant improvement, with unemployment rates gradually returning to pre-pandemic levels in many regions, contributing to a more stable and predictable economic environment. The IMF projected global growth to reach 3.3 percent in 2025, reflecting a balanced outlook despite known headwinds and divergent risks.

However, the global economic scene changed dramatically and unexpectedly on 2 April 2025, when the United States unveiled significant new tariffs, ranging from 10 percent to 50 percent, on goods from 185 nations, including Belize. This day, dubbed as “Liberation Day,” marked a pivotal moment in American history. These tariffs were part of a broader strategy to protect domestic industries and address trade imbalances with the United States. Although many of these tariff increases have been

temporarily halted, the combination of these US measures, retaliatory actions from China, and the general uncertainty about future tariffs and possible exemptions has collectively lowered growth prospects for many countries. In April, the IMF projected a 0.5 percentage point slowdown in the global economy, reducing growth to 2.8 percent in 2025, as both advanced and developing economies are expected to experience a deceleration in economic activity.

Moreover, a restructuring of US federal government services and a shift in policy focus have resulted in decreased US grant funding for various international organizations and projects. This shift in policy has added further complications to global uncertainty, as many countries, including Belize, benefit from these grants for various development projects.

For small developing states like Belize, the introduction of tariffs and the reduction in grant funding pose challenges. For instance, the tariffs could potentially dismantle the longstanding trade advantages established under the Caribbean Basin Initiative, leading to increased production costs, thinner profit margins for exporters, and higher prices for consumers and businesses. Additionally, the cessation of project grant funding will inevitably impact funding for development projects at a time when investment in key areas remains needed. Examples of areas that could be affected by reduced US funding include: (i) healthcare: leaving programs aimed at combating HIV/AIDS and other health initiatives at risk; (ii) education: stalling reforms and modernization projects in the education sector, impacting school infrastructure and educational resources; (iii) economic development: hindering initiatives aimed at boosting economic growth such as infrastructural and renewable energy projects; (iv) security: threatening the Central America Regional Security Initiative (CARSI), which funds law enforcement efforts, anti-corruption initiatives, and border security programs.

Domestic Conditions

Real Sector

Despite the significant global challenges that emerged in 2024 and that are unfolding in 2025, Belize showcased remarkable economic resilience, characterised by ongoing growth, a steady decline in inflation, robust foreign reserves, and a stable banking sector.

Belize's economic achievements stood out when compared to its neighbouring countries in Central America and the Caribbean region. Among these economies, to repeat, only Guyana, with its

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burgeoning oil sector, surpassed Belize's remarkable growth. In 2024, Belize recorded spectacular real GDP growth of 8.2 percent, primarily driven by advancements in the services and secondary sectors. The services sector grew impressively by 10.5 percent, largely supported by a resurgence in tourism. Stay-over tourist arrivals exceeded pre-pandemic figures, rising by 10.7 percent, credited to effective marketing strategies and an increase in airlift capacity. Compared to 2023, arrivals jumped by 19.6 percent, whereas cruise visitor numbers were almost identical. This sharp increase in overnight tourism positively affected associated service industries, including accommodation, food services, transportation, and distributive trade.

Simultaneously, the secondary sector grew by 5.7 percent, fuelled by strong electricity generation and construction activities, which offset declines in manufacturing output, as reductions in flour, animal feed, and rum production, outweighed increases in sugar and citrus juice output. However, the primary sector has contracted slightly, decreasing by 2.5 percent. This reduction is linked to drops in marine output, grain production, cattle exports, and mining, despite gains in the banana and sugarcane harvests.

In terms of the labour market, the average unemployment rate in Belize fell to a record low of 2.1 percent in September 2024, down from 3.3 percent in 2023. Most job opportunities were in the *“Wholesale and Retail Trade,” “Tourism,”* and *“Community, Social, and Personal Services”* industries. However, the labour force participation rate declined slightly in 2024 as some individuals withdrew from the labour force. Gender disparities persist, with female unemployment being higher and female labour force participation rates being lower.

External Sector

On the external front, Belize experienced a modest widening of its current account deficit from 0.6 percent of GDP in 2023 to 1.5 percent in 2024. Although our export earnings from key commodities such as bananas, citrus juices, and molasses increased, these gains were insufficient to offset the higher spending on imports of industrial equipment, food, building materials, and fuel. Furthermore, we faced adjusted financing costs on several loan facilities due to variable rates. On a positive note, record-high tourist spending significantly offset some of this deficit, leading to a surge in tourism-related inflows into the banking system. Consequently, the Central Bank's foreign reserves remained at a healthy level,

reaching \$964.2 million at the end of December 2024, which is equivalent to approximately 4 months of merchandise imports.

For the first quarter of 2025, Belize's merchandise trade deficit is projected to widen further, as import expenditures, from continued economic expansion, outpace export earnings. However, despite the anticipated levelling off in tourism, earnings from both tourism and the business process outsourcing sector are expected to partially mitigate this trade imbalance. Going forward, upward pressure on Belize's trade deficit may arise as import costs from major trading partners such as the US inch up.

Monetary and Financial Sector

In monetary developments, Belize recorded an impressive 9.4 percent rise in its broad money supply in 2024, driven by growth in both foreign and domestic assets of the banking system. The net foreign assets of domestic banks experienced a remarkable surge of 44.8 percent, reaching \$942.6 million, largely fuelled by strong foreign exchange earnings from the thriving tourism sector and increased foreign investments. Additionally, the Central Bank's foreign reserves strengthened due to the receipt of loan disbursement proceeds, international grant inflows, and sugar export earnings. On the domestic side, lending to the private sector continued its strong upward trend, surpassing \$100 million for the third consecutive year. This lending bolstered household consumption, real estate transactions, and other sectors like professional services and manufacturing. Furthermore, domestic banks maintained high levels of liquid assets, supporting financial conditions for firm credit growth.

Following the positive trends of 2024, Belize's broad money supply expanded by another 9.4 percent to \$4.9 billion, aided by ongoing growth in the banking system's foreign assets. At the same time, asset quality in the banking sector improved, reflected in the reduced ratio of non-performing loans to total loans, thereby strengthening the overall stability of the financial system. In addition, domestic banks' surplus liquid assets surged by \$304.7 million to \$1,050.7 million, mainly driven by increases in their foreign balances. As for interest rate movements, both lending and deposit rates recorded slight decreases during the first quarter. The weighted average interest rate on new loans dipped slightly to 8.69 percent, signalling the continuance of accommodative financial credit conditions, while the weighted average deposit rate slipped to 1.48 percent.

Economic Prospects for 2025

Looking ahead, Belize's economic growth is expected to remain positive but may face headwinds in matching the exceptional 2024 growth rate. This anticipated levelling off could well be exacerbated by recent policy shifts in the United States, which have introduced high levels of global policy uncertainty and escalated trade tensions between the world's two largest economies, the United States and China.

The forecast for Belize's primary sector in 2025 is cautiously optimistic. While we expect increased production of non-traditional crops and grains, the output of key traditional commodities remains somewhat uncertain. Anticipated growth in bananas, corn, soybeans, sorghum, coconuts, and livestock is expected, supported by a rise in local demand and favourable weather conditions. However, a fungal outbreak affecting sugarcane production and the ongoing effects of the greening disease in the citrus industry will possibly hinder output in these industries.

The secondary sector will continue to grow, especially in electricity generation, construction, and manufacturing. These areas are expected to benefit from ongoing investments and infrastructural projects, which will positively influence economic activity and job creation.

While the tertiary sector is anticipated to grow in 2025, its growth pace is expected to slow, mainly due to equilibrium levels in the tourism industry. Any decline in international visitors will have negative spill overs across related industries such as transportation, restaurant and accommodation, as well as distributive trade. Despite these challenges, we expect strong out-turns in government and business process outsourcing services, which should support the overall sectoral growth.

From the classroom to the market place, implementing programs that stimulate economic growth are exceedingly difficult in this age – small countries like ours are pressured into a prescription that abides by the history of economic doctrines rather than the history of economic policy and practice. Rather than to Ricardo's trade theory, which more often than not has shackled emerging nations with the comparative advantage of being poor, we are attracted to Serra's uneven development thesis.

Hence, our early and sustained focus on aiding small business, through the MSME support program, so they can manufacture value added products, however specialised the niche might be. I am especially proud to share one example of a shining small business success: Kaj Expressions Limited, owned and operated by Belizean woman entrepreneur Khadija Assales.

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Kaj Expressions Limited is a renowned handmade jewellery business with a strong presence across Belize, featuring stores in Belize City, Placencia, San Ignacio, and Caye Caulker. Since last year, Kaj Expressions has been a successful recipient of BELTRAIDE's MSME Fiscal Incentive Program, leveraging duty exemptions to fuel its growth within the Orange Economy. Further empowered by the Belize Enterprise Empowerment Program (BEEP), under the export category, Kaj Expressions has benefited from the program via grant of \$20,000 for digital marketing, trade show participation, and the acquisition of vital raw materials and packaging.

Demonstrating her ambition and the high quality of her brand, Khadija, with support from BELTRAIDE's export unit, marked her entry into the Taiwanese market with a successful debut at Design Giftionary on April 17th, 2025.

I commend her and the hundreds of other budding entrepreneurs who are powering the rapid expansion of Belizean value-added manufacturing.

III - The Public Debt:

Madam Speaker, I turn to the public debt. The privilege of the modern state to incur sovereign debt on behalf of the citizenry is one to which this Administration has applied particular caution. Our caution has two main drivers: first, sovereign debt or its absence, is effectively an inter-generational exchange whereby the current government burdens unborn generations with loan repayments or gifts them with fiscal space.

Second, profligate debt - the class of debt that fuels wasteful spending or insider handouts – reduces a government’s ability to cope with the unexpected crisis by borrowing.

At the close of the year 2020, the public debt stood at \$4.2 billion Belize dollars.

At the close of 2024, that figure had hardly moved, estimated at BZ\$4.42 billion Belize dollars.

In those 4 years, though, the quantum of Belize’s annual economic output had grown from \$4.086 billion in 2020 to \$6.825 billion at the close of 2024, or by some 67 percent. This figure includes a positive, IMF-approved, revaluation of GDP output.

Consider our debt management approach in the context of interest payments:

In 2021, total interest payments were \$105 million Belize dollars.

In 2024, total interest payments were \$119 million Belize dollars.

In 2021, total interest payments represented 9 cents of every dollar of Government total revenue and grants.

In 2024, total interest payments represented 7 cents of that same dollar.

Government’s average interest rate for domestic debt stands at 2.5 percent per annum and for external debt, at 3.5 percent per annum. These low rates of interest are particularly noteworthy having regard to the high interest rate environment globally where, for example, the US government pays upwards of 4.3 percent per annum on its 10 year Treasury bonds.

Consider also that in the four full years of this Administration, the aggregate amount of the capital budget was 1.554 billion Belize dollars. So Government was able to deploy almost 1.6 billion dollars in capital investments without any increase to the dollar amount of the public debt. And, as I cited earlier, we did so while reducing the debt to GDP ratio from 132 percent in 2020 to 61 percent at the close of 2024.

With regard to the split between domestic and external debt, the CBB reports \$1.519 billion Belize dollars in total domestic debt at the close of the last calendar year. The external stock of public debt was \$1.453 billion US dollars.

Previous government, of both parties, have generated bursts of economic growth and in both instances, these have been fueled by material increases in the public debt. Our debt policy is and will continue to be more enlightened.

On the public debt, the conversion of promise to performance shines brightly.

IV - Fiscal Year 2024/2025 Budget Outturn

As an introduction to the actual performance of the 2024/25 fiscal year's budget, which ended on March 31, 2025, it is important to point out that previous administrations, almost without exception, overspend in the period leading to an election.

Take 2015, for example – the then UDP Administration registered an overall budget deficit of over 6 percent of GDP, requiring loans in that fiscal year of 276 million dollars.

Politicians spend and borrow to win elections.

This Administration defied that norm, as I will now explain.

Total revenue and grants for this fiscal year was 1.646 billion dollars, of which 98 percent represented recurrent revenue. Of that recurrent revenue of 1.619 billion dollars in recurrent revenue, 92 percent was tax revenue, namely taxes four broad categories: income and profits, property, international trade and transaction and good and services.

Non-tax revenues for a year totaled 130.8 million dollars.

Capital revenues, almost entirely from the sale of crown land, total 8.118 million dollars.

Nineteen point three million dollars was the total value of grants received during the fiscal year.

Overall, recurrent revenue outperformed its target by 136 million dollars or 9.2 percent, led by a 100 million dollar outperformance in tax revenues and 36 million dollars in non-tax collections.

On the expenditure side, total spending for the fiscal year was 1.664 billion dollars or 3.7 percent higher than the approved budget amount.

Recurrent spending totaled 1.226 billion dollars and capital spending totaled 438 million dollars.

Of the capital spending, Capital 2 investments, financed from domestic sources, amounted to 344 million dollars and Capital 3 spending, financed from external sources, amounted to 85 million dollars

Government's spending on salaries for its estimated 15,000 workforce – all teachers and public officers – was 503 million dollars, with an additional 132 million dollars spent on pensions and ex-gratia payments. Put differently, 52 cents of every dollar of government recurring spending goes to salaries and pensions. 43 cents of every tax dollar was spent on salaries and pensions.

Here is the bottom line: Government attained a primary surplus of 1.48 percent of GDP and an overall deficit of -0.26 percent, significantly over-performing the approved budget targets of 0.46 percent at the primary level and minus 1.3 percent for the overall budget deficit.

Government's financing needs, the amount of borrowing necessary for the entire budget year, was therefore only 18 million dollars, before the approximately 92 million dollars allocated to amortization payments.

This is a remarkable accomplishment by any measure, and a direct consequence of a remarkable economy and a remarkable public service.

The Cabinet and I offer commendations to all public officers directly involved in this transition from promise to performance, especially those at the Belize Tax Service, the Customs Department and the Financial Services Commission.

V - Fiscal Year 2025/2026 Budget Proposal:

With the success of the last fiscal year under our belt, Cabinet and I propose a balanced and targeted framework for the new fiscal year, which started on the 1st April 2025.

On the revenue side of the ledger, 1.74 billion dollars is projected for revenue and grants, which is an increase of 94 million dollars compared to the last period, or some 6 percent growth, to be achieved by continued economic growth and collection efficiencies.

Of the \$94 million, the largest increase, 53 million dollars is to come from a significant increase in bilateral and multilateral grants, with 34 million dollars derived from recurrent revenue growth and 3 million in additional capital revenues.

On the expenditure side, we propose 1.782 billion dollars in total spending, of which 1.253 billion dollars are recurrent in nature and 528.8 million dollars represents capital investments.

In this budget cycle, 80 million dollars, previously classified as Subsidies and Transfers, is being re-classified as Personal Emoluments. This is an important adjustment since the Subsidies and Transfers category imply an annual, adjustable outlay, as opposed to Personal Emoluments that carry different obligations.

Therefore, for this fiscal year, 698 million dollars is therefore allotted to salaries and pensions, representing 56 percent of total recurrent spending. This total represents a net increase year-on-year of 63 million dollars or about 10 percent.

Allow me to highlight our efforts to control spending on Goods and Services. In the last fiscal year, spending on this broad category fell by 5 million dollars and for the new budget year, we are providing for an increase of only 2 percent to cover the natural expected inflationary rise.

Reflecting our determination to directing the maximum possible resources to public sector capital investments, and specifically to funding the Medium Term Development Strategy, this year's capital spending is the highest amount ever, at 528.8 million dollars and the highest percentage ever of total spending, at 30 percent.

Debt servicing costs for the year remain just below eight cents of every one dollar of spending.

"From Promise to Performance"

During this fiscal year, Belize GDP is forecasted to exceed 7 billion dollars of annual output. With this growth and the prudent levels of spending we propose, the primary surplus is expected to rise to 1.52 percent of GDP or 106 million dollars. The overall budget deficit is projected at .59 percent, in dollar terms some 41.6 million dollars, which when added to 126 million dollars for amortization payments, means that the total financing required by Government for the fiscal year is 167 million dollars or just over 2 percent of 2025 GDP.

Madam Speaker, I have deliberately confined my presentation of the prior year's budget results and the new budget year's proposals to the summary figures because I anticipate that individual Ministers and Members will delve into and describe the more detailed numbers pertaining the Ministries and Departments.

Despite this macro focus, I recognize that members of the listening public and stakeholders may find it difficult to digest all these numbers. For the benefit of this important audience, let me provide a plain, rounded summary:

In this budget year, Government will receive 1.7 billion dollars, its revenues and spend more or less that same amount. For every dollar spent, 40 cents is for salaries and pensions, 30 cents is for projects called capital spending, 17 cents is for good and services such as utilities, fuel, etc., 8 cents for interest on previous loans and 5 cents on subsidies and grants for various public services purposes like health and education.

VI – Capital Program Highlights for New Budget

First, then, to a sampling of the principal capital projects that animate this year’s public investment
Capital II Program

Capital II Program

Madam Speaker, this year we will be appropriating a record 336.7 million dollars to our Capital II Budget – that is the portion of the overall capital program that is funded from general revenue as opposed to donor financing.

The emphasis continues to be on the upgrading and maintenance of our road infrastructure, and, in particular to provide the necessary counterpart resources for capital projects funded by our development partners.

I would like to list just few of these programs, allowing the substantive Minister to provide greater detail during his presentation:

For Infrastructure Development:

- \$2.2 million for the Corozal to Sarteneja Road Project
- \$14.7 million for the upgrading of the George Price Highway from Belize City to Belmopan
- \$9.4 million for the upgrading of the George Price Highway from San Ignacio to Benque
- \$3.5 million for the upgrading of the Philip Goldson Highway from Mile 8 to Mile 24
- \$4.0 million for specialized equipment
- And, a combined total of some \$30.0 million for the continued maintenance of roads, streets, and drains countrywide.

Other significant allocations include:

For Health:

- \$50.0 million for the Operationalization of the National Health Insurance Program

For Education:

- \$2.6 million for the Healthy Start Feeding Program
- \$2.2 million for internet to schools

For Social and Community Development:

- \$6.3 million for Constituency Development Programs
- \$7.1 million for Community Support and Small Grants Programs
- \$1.5 million in Assistance to Small Farmers
- \$4.1 million for Youth Anti-Violence Multi Sectoral Programs

For Land Development

- \$22.0 million for land acquisition payments and land surveys.

Capital III Program

Madam Speaker, this year we will be appropriating a record 184.9 million dollars to our Capital III Budget, which I am proud to say is all funded by either highly concessionary loans or in some cases by outright grants.

And, Madam Speaker, I would like to stress that none of these programs or projects are funded by any borrowing on commercial terms.

Madam Speaker, I would like to list just a sampling of the key capital projects that drive this year's public investment program, in conformity with Belize's Medium Term Development Strategy as well as the overarching goals of Plan Belize -Version 2.0.

In Energy:

- \$9.0 million for the construction of a Solar Energy Plant funded by the Saudi Fund for Development
- \$15.5 million for a Renewable Integration and Resilient Energy Project funded by the World Bank

In Health:

- \$9.5 million for the Construction a state-of-the-art hospital in San Pedro Town funded by a grant from our highly valued bi-lateral partner, the Republic of China (Taiwan)
- \$6.0 million for a Tertiary Hospital in Belmopan funded by the Saudi Fund for Development

In Education:

- \$7.7 million of the Skills for the Future Program funded by the IDB
- \$5.0 million for National Healthy Start Program

In Economic Transformation:

- \$6.6 million for Sustainable and Inclusive Urban Development Program (an IDB funded project to contribute to sustainable urban development of municipalities in northern Belize)
- \$10.4 million for the Belize Blue Cities and Beyond Project (a World Bank project funded by IDA resources to support San Pedro Town, Belize City, and Punta Gorda through capacity building , policy development and infrastructure improvements including 4 miles of paved road in South San Pedro)
- \$5.4 million for continued investment in Water and Sanitation in the Rural Areas
- \$2.6 million toward the establishment of a Semi-Autonomous Tax Administration
- \$3.8 million for Digital Innovation to Boost Economic Development
- \$3.9 million to Strength Public Expenditure Management

In Infrastructure Development

- \$5.3 million for the upgrading of the Corozal to Sarteneja Road
- \$20.0 million for the Upgrading of the George Price Highway from Belize City to Hattieville ‘
- \$6.6 million for the Caracol Road Project – Phase 2
- \$18.0 million for the Upgrading of the Philip Goldson Highway
- \$1.5 million for the Upgrading of the Thomas Vincent Ramos Highway

Madam Speaker, I wish to note that many of these Capital II and Capital II programs are multi-year programs and the figures mentioned above are for this fiscal year only.

VII – Developments in Key Projects

National Health Insurance(NHI)

Over two decades have passed since the then People’s United Party Administration conceived of the transformative National Health Insurance Program, first piloted on the Southside of Belize City. The program was extended to the rest of the Belize District (except for the north side of Belize City), including the Cayes and the Southern districts of Stann Creek and Toledo.

In our first term, this Administration extended the program’s reach to include the Northern Districts of Corozal and Orange Walk and the north side of Belize City. And in this financial year, as promised, the program will truly and finally become national with the expansion that covers the 93,416 Belizeans of the Cayo District. To achieve optimal coverage in the Western Region, eight primary care providers and seven satellite clinics will be enlisted, with a focus in the population hubs of San Ignacio/Santa Elena, Belmopan and Benque Viejo del Carmen.

The genius of NHI is in the separation of functions with the Ministry of Health as Regulator, an independent body like the Social Security Board’s NHI Committee as Purchaser and a combination of public and private health care facilities as Providers. As each stakeholder pursues its interest and responsibilities, the benefits accrue to the patients, who, after all, are most important.

When fully functional, the national NHI coverage will provide services valued at \$80 million for its basic package. Based on lessons learnt, fund mobilization, improvement to facilities, the training of care personnel, and the procurement of tools and equipment, higher levels of diagnostic and treatment services will be introduced.

NHI is quintessential PUP: assuring every Belizean that health care is an entitlement not a privilege, bolstering the cause of social justice and tapping the dynamism of George Price’s mixed economy. This is also yet another example of transforming a promise to performance.

The Boledo

Yet another example of how our Administration has vividly converted promise to performance is in the case of the boledo, and our fight to ensure that the profits of this Belizean institution benefit the people.

For period 21st November 2023 through 30th November 2024, the Government-owned and managed Belize Government Lotteries Limited recorded sales of some 111.2 million dollars which was for lottery sales revenue only, Additional revenues were collected for device rentals and sale of thermal paper.

This was an increase of \$65 million, or 142 percent above the sales as reported by Brads Gaming Company for the fiscal year 2022.

Prize winnings paid out for the same period was some 77.6 million dollars, reflecting a payout percentage of 70 percent of sales. So 7 of every 10 dollars collected went right back to the customers. Gross profit after all cost of sales, including prize winnings and commissions was 17.6 million dollars.

General, administrative and operational expenses totaled 16.6 million dollars. So the costs of operating the lottery are less than 10 percent of gross revenues.

After just 12 months of the sale of the lottery under Belize Government Lotteries Ltd., the people of Belize have earned a net profit of almost \$17 million.

In 2022, the former owners paid Government a license fee of \$2.5 million. Therefore, the change in ownership and management has realized a 6-fold increase in Government's take, or over 14 million additional dollars. These monies have flowed to NHI, to sporting programs and to the Official Charities Fund.

We promised to remodel the boledo. We are performing.

The Millennium Challenge Corporation

In September 2024 Belize entered into a Compact Agreement with the United States of America acting through the Millennium Challenge Corporation (MCC). The compact aimed to reduce poverty through economic growth in Belize with the intention that the elements of the Program would be implemented in a manner that would strengthen good governance, economic freedom, and investment in the people of Belize.

The Agreement provided 125 million US dollars in grant funds to support two key projects: An **Education Project** funded at 73.8 million US dollars and an **Energy Project** funded at 21.7

million US dollars. While a further 29.9 million US dollars was allocated for program implementation of the Compact Agreement itself.

The Education Project aims to equitably increase the number of post-primary graduates with the competencies relevant to labour market demand; and

The Energy Project aims to lower the wholesale cost of electricity using renewable energy through the signing of new Power Purchase Agreements for low-cost renewable energy generation and the commissioning of lower cost renewable energy projects.

I wish to clarify that these funds are not included in our National Budget but rather directly managed by the MCC under a separate financial and accounting arrangement as set out in the Millennium Challenge Account – Belize Authority Act of 2024.

Madam Speaker, on the 20th of January 2025, President Trump, issued an Executive Order titled “Re-evaluating and Realigning United States Foreign Aid” which mandated a 90 -day pause on new obligations and disbursements of United States Government development assistance funds to foreign governments, including funding under the MCC Compact with Belize.

Just over three weeks ago, we received unofficial word out of Washington that the MCC Board would be terminating the Compact Agreement with Belize but to date we have not received any official word to this effect. In the meantime, Belize has expressed its concerns at very high levels in the United States Government, and we have received assurances that the matter is being further examined to see if there is scope to retain the Belize Program intact.

We are therefore guardedly optimistic that the Program will be retained and we are expecting a definitive response in the coming weeks. However, should the program indeed be terminated, we will be actively seeking alternate sources of funding from our development partners and will also examine what small elements of the program we might be able to fund from our own resources.

We will keep this House and the people of Belize apprised of this situation as it unfolds.

VIII – Various Updates

Tax Reform Priorities – Fiscal Year 2025/2026

The Government of Belize continues to advance a broad-based tax reform agenda aimed at improving equity, efficiency, and sustainability within the national tax system. A central pillar of this agenda for Fiscal Year 2025/2026 is the transformation of the Belize Tax Service Department into a Semi-Autonomous Revenue Authority (SARA). This structural shift will provide the operational autonomy, governance flexibility, and enhanced accountability needed to deliver on Belize’s tax modernization agenda. Notably, SARA will exercise full **autonomy over human resources**, with this autonomy comes the ability to introduce a performance-based culture that drives accountability, strengthens institutional capacity, and enhances taxpayer services.

As part of its modernization strategy, the Belize Revenue Service will oversee the full implementation of Electronic Invoicing by mid-2025. This initiative—supported by the Inter-American Development Bank and CIAT—will significantly reduce opportunities for tax evasion, improve compliance, and simplify reporting obligations for businesses within the GST regime.

Reform efforts will also focus on a comprehensive review of the General Sales Tax structure to be undertaken in the course of this upcoming year.

Another significant shift will be the transfer of responsibility for Land Tax collection from the Lands Department to the Belize Tax Service. This transition, supported by the IRIS Belize platform and enforced through the provisions of the Tax Administration and Procedure Act (TAPA), will strengthen the administration, registration, and enforcement framework for land taxation.

To address longstanding inefficiencies in the taxation of property transfers, the Government will move forward with the enactment of the proposed Streamlining Property Transactions Bill. This new legislation will replace key sections of the Stamp Duties Act and will streamline the conduct, processing, and collection of taxes related to property transactions—a long-standing concern among investors and property owners in Belize.

Together, these reforms signal a decisive step in achieving Government’s commitment toward building a modern, transparent, and service-oriented tax system—one that supports national development and long-term fiscal sustainability.

“From Promise to Performance”

Madam Speaker, before I move on to another topic, I would like to report that in respect of Pay-As-You-Earn (PAYE) relief implemented at the beginning of this year, and based on the 2023 analysis, an additional 2,851 taxpayers are now benefiting from the increased exemption threshold, resulting in approximately 2,574,834.07 Belize dollars in added take-home pay. A further 2,179 taxpayers are now also benefiting from the newly introduced tax credit, amounting to an additional 2,515,510.73 Belize dollars in disposable income. Together, these measures have delivered over 5 million Belize dollars in increased take-home pay, expanding relief to more than five thousand Belizean workers. And Madam Speaker, more than two thousand three hundred of those who have benefited from this average increase in take home pay of over \$1,000 per worker are our hard-working public officers and teachers, who continue to serve as the foundation of national service and development.

The Port of Belize

The Budget Presentation offers the opportunity to provide an update on the development of a public utility that is of vital importance to the business sector and the citizenry – I refer to the Port of Belize.

Recall that in December of 2023, this Government took the bold decision to acquire the Port. Parliament, unanimously as I remember, approved this strategic choice. The rationale was straightforward: the port had languished in receivership for almost the entirety of the previous Government's three terms with absolutely no investment in the facilities and equipment. Lamentably, for many years there has been no maintenance dredging of the marine channel and the port harbor.

Cabinet, following the acquisition, directed the Board of PBL to prepare options for the urgent construction of new cargo and bulk facilities, along with other possible complementary amenities.

I am pleased to report that the Master Plan has been completed for the port as well as the adjoining almost 700 acres that Government had also acquired. The best in class consultants believe that a new cargo and bulk facilities, along with the necessary channel and harbor works are operationally and commercially viable, if combined with a cruise berthing facility.

Given the massive investments required, approximately US\$400 million, the Master Plan is to be implemented in phases but would provide Belize with a state of art cargo, bulk and tourism hub.

A project execution team has been assembled and along with strategic partners, will press forward with this exciting project. The House and the public will of course be apprised periodically of progress.

Inflation

One of the foremost challenges for our Government, indeed for Governments all over the world, has been the issue of cost of living. Inflation, as a result of shortages and supply chain disruptions during the pandemic, jacked up the price of so many goods and services.

The Government asked the IMF to assess the sources of inflation in Belize, and after extensive analysis, their experts confirmed what many of us already knew: that in Belize's case, the significant majority of this cost of living is imported. In other words, there is very little that Government, any Government can do. The IMF's estimate was that 60 percent of Belize level of inflation is due to imported products and services.

This is only logical – last year, Belize imported goods valued at \$1.362 billion Belize dollars and Belizeans bought these products, in most cases, at prices higher than the previous year. This year, inflation has come down dramatically, I am pleased to report.

For March, 2025, the rate of inflation compared to March last year was 1.4 percent.

Even more encouraging, March's rate of inflation compared to February's was just .1 percent, or virtually no change in prices.

For the period of January to March 2025, the first quarter, compared to the same period last year, the increase was 1.7 percent.

This 1.7 percent for March was less than half the 3.8 percent recorded in March 2024, about a quarter of the March 2023 figure of 6.3 percent and a fraction of the March 2022 inflation rate of 4.8 percent. And both the IMF and the Central Bank of Belize project this year's annual rate to be closer the long term average of between 2-3 percent. This is welcome news for preserving the purchasing power of the Belizean dollar.

Consumer Confidence Index

Recently, the Statistical Institute of Belize introduced a new gauge called the Consumer Confidence Index which measures the sentiments of consumers with respect to general economic conditions within the country, their household's own economic situation and making major household purchases. It provides an early indication of future household spending, investing and saving.

The Index is a number between 0, the most pessimistic and 100, the most optimistic with a value of 50 or higher indicating optimism personally and for the economy.

I am proud to report that the most recent measure of the Index was up 7.8 percent in March, putting the national indicator average at 49.6.

What is especially encouraging for me is to examine the measure by the five age groups polled: 3 of the 5 group exceed the level of 50 and for the younger groups between the ages of 18 to 34, the Index rises above 55.

Without a doubt, this shows that young Belizeans, those new to the workplace and the aspiring entrepreneurs, those who are new parents and aspiring homeowners, they feel good about their prospects, about the economic conditions in the country and about the future.

Union Relations

Some days ago, labor unions representing teachers convened and subsequently demanded pay increases from Government. I imagine sister unions representing public workers will align with the request for wage increases.

With a voice of reason and a hand of friendship, Cabinet has authorized its Negotiating Committee to engage with the Union representatives in good faith, recognizing that, for the Unions, time is of the essence.

Having included in today's presentation the immense sums being spent on wages and pensions, I wish to underscore that Government genuinely appreciates the value of the contribution to national development being made constantly by teachers, public servants and members of the security forces. At

the same time, we are obliged to protect for all Belizeans the fiscal gains achieved over these four years, so that default and devaluation can never again stalk the public finances and the country.

At current levels and as a percentage of revenues, the public sector payroll in Belize exceeds, and in many cases by large margins, the public sector payroll in the Caribbean and Latin America.

And it should be clear that Government has a duty, indeed an oath, to ensure that decisions are in the national interest; that is, in the interest of all tax payers, not just the fraction that are government employees.

I hope and expect that discussions can unfold constructively.

Investing in Lower-Cost Clean Energy

Madam Speaker, under the Belize National Energy Policy, our aim is to have 75 percent of demand met from Renewable Sources by 2030 and to achieve Net Zero Global Emissions by 2050.

Since taking office in 2020, we have relentlessly pursued these goals and I am happy to report that with support from our multi-lateral and new bilateral partners, we are well on our way to achieving these goals.

The major on-going projects in the electricity sector are as follows:

From the Saudi Fund for Development - Construction of Solar Energy Plant Project – financing equivalent to 77 million US dollars. This Project aims to construct and build utility scale solar power plant, with a total capacity of no less than 60 megawatts and supply and installation of solar panels.

This will avoid emissions from the energy sector, or equivalent to around 60,000 tons of carbon dioxide equivalent per year through system efficiency and consumption of at least 100 GWh/year.

The project will also have a positive impact on improving the reliability of the electrical network and reduce the cost of electricity. It will reduce dependence on energy imports from neighbouring countries and slash the outflow of foreign exchange by paying for energy in Belize dollars.

From the World Bank - the Belize Reliant and Resilient Energy System Project (BRRES) - financing of \$116.8 million. The project aims to strengthen the country's power supply, improve reliability and resilience of the national electricity system and electricity services, and enable greater renewable energy integration. Improving livelihoods is also a key component of this project as it will help reduce costs for consumers. The project will install 10-megawatt (MW) battery systems in four locations across the country: San Pedro, Dangriga, Orange Walk, and the Belize District. The project benefits from a blend of a loan, concessionary, and grant financing.

From a PPP Partnership - Belize Solar Project (\$100,000,000 to \$160,000,000). The International Finance Corporation (IFC), the lead financial advisor for the structuring of a Solar Public-Private Partnership (PPP) transaction, will assist the Government in identifying an Independent Power Producer (IPP) through a competitive tender process who will be responsible for designing, building, financing, operating, and maintaining a utility-scale solar PV plant with a capacity of 50-80 MW. This effort is co-financed with the assistance of the MCC Compact Development Fund, the Global Infrastructure Fund, and the Government of Japan. This is one of Belize's first PPP's and will help Belize sustainably meet its energy demands.

From the Millennium Challenge Corporation Energy Project – US\$21 Million aimed at lowering the wholesale cost of electricity by facilitating new lower -cost renewable energy activities. Key activities under this Program include (i) Advisory Services for the development of new renewable independent power generation, (ii) Blended Finance to incentivize bidders to propose lower prices, (iii), Grid Modernization to accommodate variable renewable energy, and (iv) improved policy and regulatory environment.

Madam Speaker , we are investing in and securing our energy future. The first step is to become electricity self-sufficient, the attainment of which is now within our reach. We anticipate a day soon when Belize will be in a surplus position and able to be an exporter of electricity to our neighbours in Central America through the SIEPAC - the Central American Electrical Interconnection System – and to Mexico.

World Bank Catastrophe Deferred Drawdown Option – (CAT-DDO)

Madam Speaker, over the last several months, Belize has been in negotiations with the World Bank for access to financing through a specialized product called a Catastrophe Deferred Drawdown Option (or CAT-DDO for short). This product enhances countries' crisis preparedness and prevention by providing a contingent financing line that offers immediate liquidity to address shocks related to natural disasters and public health emergencies caused by a biological event.

For Belize, the anticipated amount of the CAT-DDO facility is USD \$20 million, with about one half of this amount drawn from Belize's IDA allocation. In order to access the country's IDA envelope, Belize will be subject to the World Bank's Sustainable Development Finance Policy (SDFP) which requires its own set of approved Performance and Policy Actions (PPAs) aimed at strengthening infrastructure and fiscal resilience , and multi-sector capacity for disaster preparedness and response.

Two of the key actions agreed by Belize are the approval of Disaster Risk Financing Policy and approval of a Medium Term Fiscal Framework and Fiscal Strategy Plan Policy. Both Policies have recently been approved by the Cabinet and will be tabled in this Honorable House for information purposes.

The financing that will be available through the CAT-DDO will substantially close any gaps for disaster responses, should the need arise.

It is expected that the CAT -DDO financing will be approved by the World Bank prior to the upcoming 2025 Hurricane Season.

Annual Fiscal Strategy Plans

Although our economy has stabilized with a robust rebound following the COVID Pandemic, sustained growth will require unceasing policy initiatives and whole-of-government efforts.

With regard to fiscal policy, my Government's goal is to maintain a consistent primary budget surplus - in the range of 1.5 percent to 2.0 percent of GDP - into the medium term. While public debt has come down years ahead of IMF projections, to the 60 percent range, further reductions will be more challenging, given the limitations on GDP growth and our lack of control over global interest rates.

Our goal is for the public debt to gradually fall to 50 percent of GDP by 2029.

Our gross financing needs are estimated to average 7.5 percent of GDP, supported by continued fiscal discipline, a manageable repayment schedule for the Blue Bond, and limited short-term refinancing needs from domestic creditors.

Despite this positive outlook, the Government remains committed to mitigating emerging risks, such as climate-related events, volatile global markets, and commodity price shocks, by maintaining primary surpluses, building buffers and contingency funds, establishing contingent credit lines, while keeping public debt in careful check and improving disaster risk financing (DRF) arrangements.

Our fiscal policy stance will remain consistent with other macroeconomic policies and growth objectives, requiring careful management to mitigate potential risks and ensure long-term sustainability.

To enhance our fiscal discipline and stability, and beginning later this year, we will prepare and publish a detailed Fiscal Strategy Plan which will include a Medium-Term Fiscal Framework.

This Framework will provide a transparent, forward-looking roadmap for revenue and expenditure projections, integrating disaster risk contingencies to enhance resilience against climate shocks, – a vital measure given our exposure to hurricanes, floods, and other natural hazards.

Madam Speaker, publishing the plan on the Ministry of Finance’s website will further bolster accountability and stakeholder engagement, reinforcing investor confidence in Belize’s fiscal stability.

IX - Conclusion

Madam Speaker,

The author and renowned econometrician Simon Kuznets often remind his readers that measures such as changes to GDP are incomplete. These estimates do not account for key environmental externalities such as the quality of air and water, soil and biodiversity scales and the effects of climate change.

Today, confined by the very nature of a budget presentation, I have been compelled to an avalanche of numbers and data points. But, in closing, let me invoke a different kind of Report, one that goes beyond the granular details of economy and primary surpluses and budget financing. Let me speak of our people's happiness, a very important gauge of national well-being.

Each year, Oxford University, in collaboration with Gallup Polling and the UN Sustainable Solutions Network publishes a happiness index called The World Happiness Report. The ranking takes into account not just GDP per capital but the presence of social support systems, of freedoms, of citizens' generosity, of the perception of corruption, of healthy life expectancy and so forth.

In the most recent Happiness Report for 2024, Belize placed 25th of 147 countries polled, and 5th in the entire Western Hemisphere.

Such a high ranking for our small, vulnerable country in this increasingly turbulent world is an impressive statement of the national mood.

Happiness, whether for a nation or an individual is highly subjective. It's not political – you do not campaign on the promise of delivering happiness.

Still, the relative happiness of the Belizean people suggests that our governance approach, including this Budget, is striking a highly effective balance, on the one hand, ushering in a period of opportunity and prosperity while on the other, preserving the good spirits and unique optimism that has for so long defined us.

I truly believe this land of ours to be the world's most bountiful garden, its blossoms abundant so as to enable every Belizean life and tenancy like no other on this planet.

Together, as collective gardeners, as benefactors of generations to come, and with the guidance of our Creator, let us always tend with competence and conscience, the prolific flowering of national prosperity on the soils of social justice.

Belize forever.

Belize for all.

I thank you.

X - Appendices:

Appendix 1 – Table of Select Indicators

	2020	2021	2022	2023 ^R	2024 ^P
POPULATION AND EMPLOYMENT (Average)					
Population (Thousands)	393.0	399.4	397.5	404.2	410.9
Employed Labour Force (Thousands)	134.9	154.7	162.4	164.8	164.3
Unemployment Rate (%)	13.8	10.3	5.1	3.3	2.5
INCOME					
GDP at Current Market Prices (\$mn)	4,085.7	4,841.1	5,693.4	6,133.7	6,825.3
Per Capita GDP (\$, Current Mkt. Prices)	10,396.2	12,120.9	14,323.0	15,174.9	16,610.6
Real GDP Growth (%)	-13.9	17.7	9.7	1.2	8.2
Sectoral Distribution of Constant 2014 GDP (%)					
Primary Activities (%)	10.7	11.3	10.3	9.3	8.6
Secondary Activities (%)	16.2	15.8	14.3	13.5	13.7
Tertiary Activities (%)	61.2	60.5	61.1	64.0	64.0
TOURISM					
Stay Over Arrivals (Thousands)	133.7	212.6	345.7	429.5	513.7
Cruise Ship Passenger Arrivals (Thousands)	308.8	189.2	551.3	813.6	805.0
MONEY AND PRICES (\$mn)					
Inflation (Annual average percentage change)	0.1	3.2	6.3	4.4	3.3
Currency and Demand deposits (M1)	1,965.5	2,233.1	2,423.5	2,667.7	3,331.7
Quasi-Money (Savings and Time deposits)	1,568.3	1,735.5	1,731.1	1,778.9	1,532.1
Money Supply (M2)	3,533.8	3,968.5	4,154.6	4,446.6	4,863.8
Excess Statutory Liquidity	420.3	698.3	702.9	744.1	746.0
Excess Cash Liquidity	351.9	415.6	499.3	509.8	472.3
Excess Securities	206.0	167.8	114.5	107.1	153.5
CREDIT (\$mn)					
Domestic Banks Loans and Advances	2,278.1	2,313.0	2,418.8	2,572.2	2,675.0
Public Sector	41.3	27.8	26.0	41.8	41.4
Private Sector	2,236.8	2,285.2	2,392.8	2,530.4	2,633.6
INTEREST RATE⁽¹⁾ (%)					
Weighted Average New Lending Rate	8.5	8.6	8.5	8.7	8.8
Weighted Average New Deposit Rate	2.0	2.1	2.0	1.8	1.7
Weighted Average Interest Rate Spread	6.5	6.6	6.5	6.9	7.1
BALANCE OF PAYMENTS (US \$mn)					
Merchandise Exports (f.o.b.)	288.8	422.0	517.7	488.1	482.5
Merchandise Imports (f.o.b.)	731.4	956.1	1,223.6	1,265.4	1,362.0
Trade Balance	-442.7	-534.0	-705.9	-777.4	-879.5
Remittances (Inflows)	118.3	133.0	140.1	147.2	151.8
Tourism (inflows)	247.1	374.1	600.5	730.4	813.2
Services (Net)	255.2	327.5	501.4	740.2	795.6
Current Account Balance	-127.9	-157.9	-235.6	-19.8	-51.8
Capital and Financial Flows	183.1	290.8	217.1	61.4	118.0
Gross Change in Official International Reserves	70.2	75.1	58.4	-9.2	8.8
Gross Official International Reserves	348.1	424.0	482.5	473.3	482.1
Import Cover of Reserves (in months)	5.2	4.7	4.1	4.1	3.9

Sources: Ministry of Finance, Statistical Institute of Belize, and the Central Bank of Belize

P: Preliminary

R: Revised

Appendix 2 – Summary of Budget in Percent of GDP, FY 22/23 - FY 27/28

FY 2022/2023 to FY 2027/2028							
	ACTUAL OUT-TURN FY 2022/23	ACTUAL OUT-TURN FY 2023/24	APPROVED BUDGET FY 2024/25	PROJECTED OUT-TURN FY 2024/25	SUBMITTED FY BUDGET FY 2025/26	FORECAST FY 2026/27	FORECAST FY 2027/28
TOTAL REVENUES AND GRANTS	22.75%	23.16%	23.04%	24.00%	24.88%	25.40%	24.50%
RECURRENT REVENUE	22.16%	22.60%	22.50%	23.60%	23.69%	23.80%	23.92%
TAX REVENUE	20.43%	21.36%	21.05%	21.70%	21.75%	21.86%	21.97%
INCOME & PROFITS	5.41%	5.69%	5.54%	6.92%	6.75%	6.79%	6.82%
TAXES ON PROPERTY	0.14%	0.10%	0.11%	0.10%	0.09%	0.09%	0.09%
TAXES ON INT'L TRADE & TRANSACTIONS	3.85%	3.45%	3.39%	3.38%	3.47%	3.48%	3.50%
TAXES ON GOODS & SERVICES	11.03%	12.13%	12.01%	11.30%	11.44%	11.50%	11.55%
NON-TAX REVENUE	1.73%	1.23%	1.45%	1.91%	1.93%	1.94%	1.95%
CAPITAL REVENUES:	0.11%	0.11%	0.09%	0.12%	0.17%	0.17%	0.17%
GRANTS	0.48%	0.46%	0.46%	0.28%	1.03%	1.43%	0.41%
TOTAL EXPENDITURES	23.57%	25.87%	24.35%	24.27%	25.47%	26.83%	21.96%
TOTAL RECURRENT EXPENDITURE	18.08%	18.54%	17.81%	17.87%	17.91%	17.74%	17.37%
PERSONAL EMOLUMENTS	7.75%	7.64%	7.23%	7.33%	8.35%	8.22%	8.12%
PENSIONS & EX-GRATIA	1.69%	1.75%	1.67%	1.93%	1.63%	1.61%	1.58%
GOODS & SERVICES	3.79%	4.14%	4.41%	4.16%	4.23%	4.03%	3.90%
SUBSIDIES AND CURRENT TRANSFERS	3.12%	2.78%	2.73%	2.72%	1.59%	1.54%	1.50%
DEBT SERVICE-INTEREST & OTHER CHARGES	1.73%	2.23%	1.77%	1.74%	2.11%	2.34%	2.26%
TOTAL CAPITAL EXPENDITURES	5.49%	7.34%	6.53%	6.39%	7.56%	9.08%	4.59%
CAPITAL II EXPENDITURES	3.48%	5.53%	4.20%	5.02%	4.81%	3.85%	3.47%
CAPITAL III EXPENDITURES	2.01%	1.80%	2.33%	1.37%	2.75%	5.23%	1.12%
PRIMARY SURPLUS/[DEFICIT]	0.90%	-0.49%	0.46%	1.48%	1.52%	0.91%	4.80%
OVERALL SURPLUS/[DEFICIT]	-0.82%	-2.72%	-1.30%	-0.26%	-0.59%	-1.43%	2.54%
AMORTIZATION	-1.68%	-1.95%	-1.97%	-1.35%	-1.80%	-1.85%	-1.89%
FINANCING	-2.50%	-4.66%	-3.27%	-1.61%	-2.40%	-3.27%	0.66%

Appendix 3 – Links to Key Reports

1. Draft Estimates of Revenue and Expenditure for FY 2025/2026

<https://mof.gov.bz/wp-content/uploads/2025/05/Draft-Estimates-of-Revenue-and-Expenditure%E2%80%93Fiscal-Year-2025-2026.pdf>

2. Central Bank of Belize – Monthly Economic Report for March 2025

https://www.centralbank.org.bz/docs/default-source/4.2.2-monthly-economic-reports/monthly-economic-highlights-march-2025.pdf?sfvrsn=b478471a_3

3. Annual Technical Report 2024 -25 for Ministries of Education, Agriculture, Defence, Foreign Affairs, and Tourism.

<https://mof.gov.bz/wp-content/uploads/2025/05/PM-Budget-Speech%E2%80%93Fiscal-Year-2025-2026%E2%80%93Annex-Reports-Annual-Technical-Report-Ministries-of-Education-Agriculture-EGovernance-ForeignAffairs-Tourism-and-Defence.pdf>

4. Ministry of Economic Development - Annual Technical Report, 2004 – 2005

<https://drive.google.com/file/d/1lNPjVq2Xr9v1g7LIRqwuDTbebpLDph2/view?usp=sharing>

5. #PLANBELIZE Medium Term Development Strategy 2022-2026

<https://drive.google.com/file/d/1Sdd3UDh6wQ1de6svyNR2rBDeioHIjR3L/view?usp=sharing>