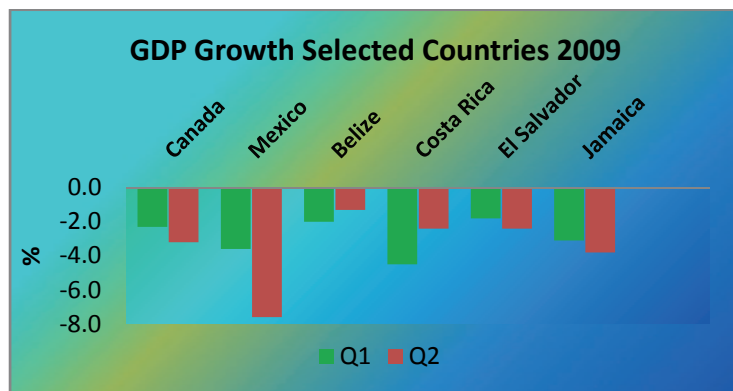


STATISTICAL INSTITUTE OF BELIZE RELEASES SECOND QUARTER 2009 GDP RESULTS

After out-performing many countries in 2008 and growing by 3.6 percent, the Belizean economy could no longer stave off the effects from the global downturn and contracted for the first two quarters in 2009. According to preliminary figures, over the first six months of 2009, the Belizean economy contracted 1.7 percent year on year, compared to a 3.0 percent expansion over the same period in 2008. In terms of declines per quarters, it was down 2.0 percent in the first quarter and 1.3 percent in the second quarter.



(Source: Country Websites)

From an output perspective, the wholesale and retail trade, transportation, hotels and restaurants, and agriculture were the main drivers of the decline in economic activity over the first half of 2009.

The wholesale and retail trade sector recorded a sharp contraction of 8.7 percent, a significant turnaround when compared to the 7.0 percent growth in the first half of 2008. The slow-down in trade was evident in a 21.1 percent reduction in merchandise imports as consumers tightened their belts and domestic demand fell. Meanwhile, the ebbing external demand contributed to an 18.7 percent fall off in domestic export sales. The performance of hotels and restaurants whose fortunes is also tied closely to the global economy witnessed an 11.4 percent decline in the first quarter, followed by a further 8.5 percent fall over the second quarter.

The weakening trade activities and the decline in tourist arrivals which negatively impacted sea and air transportation contributed to a fall off in value added from the transportation sector which saw an overall 3.7% reduction.

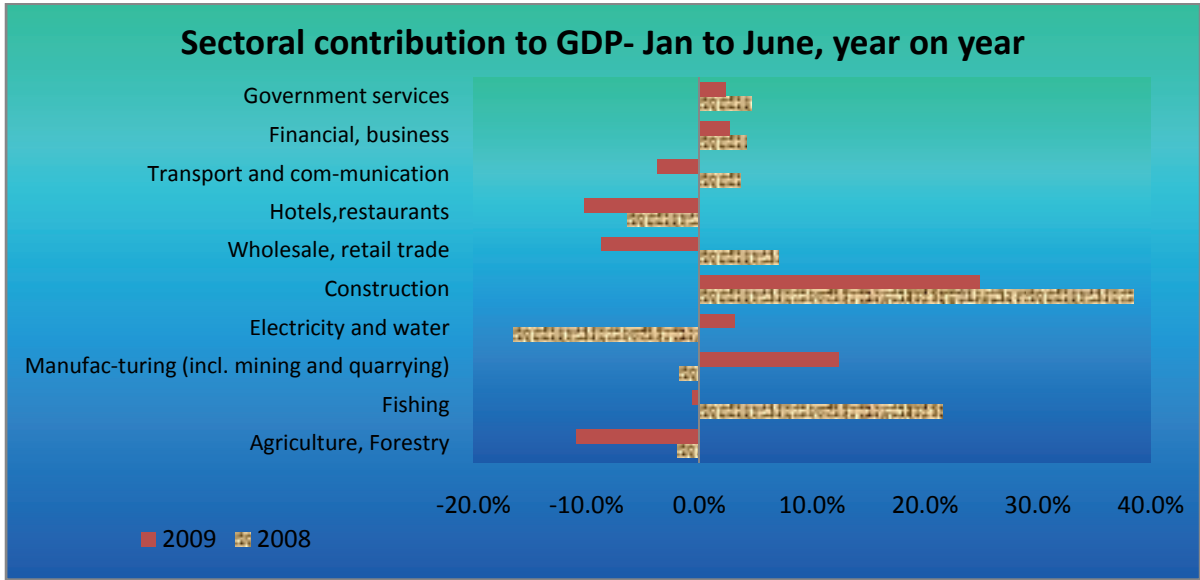
The slow-down in the fishing sector (0.6% decline) largely reflects a normalization of production as the spike experienced in 2008 was mainly due to the turnaround in marine exports from the poor performance in 2007 attributable to diseases and a shrimp factory closure.

Agriculture suffered its biggest contraction in the second quarter, year on year (down 11.6%) and fell by 10.9 percent overall. The sluggish performance of the sector came amid downturns in grapefruit (55.4%) and orange (11.3%) production as a result of the 2008 floods that damaged various groves.

The few bright spots for the first half of 2009 were seen in manufacturing, construction, and financial and other business activities.

With continued capital works project and residential developments, construction activity remained robust growing by 24.8 percent, albeit the performance was not as sanguine as the comparable period of 2008. Developments in the financial sector and other business activities such as renting and real estate appeared encouraging despite the turbulence in the global financial markets as most indicators of the banking system suggest that the commercial banks continue to perform well. These sectors reflected increases in both the first and second quarters.

The sustained rapid growth in oil production (41.0%) and rebound in sugar production (14.0%) allowed the manufacturing sector to avert a repeat of its slow half year 2008 performance and record a 12.3 percent increase.



(Source: Statistical Institute of Belize)