



For Immediate Release

Belizean Economy Contracts by 2.2% in the First Quarter of 2009

May 29<sup>th</sup>, 2009 First quarter Gross Domestic Product figures for 2009, show that the Belizean economy contracted by 2.2% in real terms when compared with the same period of 2008.

The main drivers of the decline in economic activity in the first quarter were the wholesale and retail and agriculture sectors. Wholesale and retail activity contracted 14 percent, a significant turnaround when compared to a 4.0 percent growth in the same period of 2008. The decline was underpinned by a slow-down in trade which was evident in a 15.1 percent reduction in merchandise imports. The agriculture sector fell by 6.8 percent largely as a result of a 17.6 percent decline in banana production. The slowdown in banana production falls within expectations and was mainly due to a downward correction from the 2008 first quarter surge that was a result of an EU replanting project and the recovery from diseases in late 2007.

Weighed down by the weakness in tourism, which is attributable to the global financial crisis, the services producing industries (hotels and restaurants) contracted by 10.7 percent, much worse than the previous quarter's contraction of 1.3 percent. Stay-over tourist arrivals slumped by 11.0 percent while cruise ship arrivals also fell by 1.9 percent.

Partly offsetting the declines in gross domestic product was private business and financial services which were up 10.4 percent in the first quarter. The construction and manufacturing sectors also provided a small boost to the economy reporting increases of 6.2 percent and 5.5 percent, respectively.

For more information of the Gross Domestic Product and other statistics, please call our headquarters or any of our district offices.

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