



ECONOMIC SNAPSHOT

Introduction

The following is a brief overview of the economic outlook for Belize and other Latin American and Caribbean (LAC) comparator economies. The data is largely pulled from the International Monetary Fund (IMF)'s World Economic Outlook (WEO), updated as of October 2020.

Economic Output: Advanced and Regional Economies

- Global output is expected to decline by -4.4% this year.

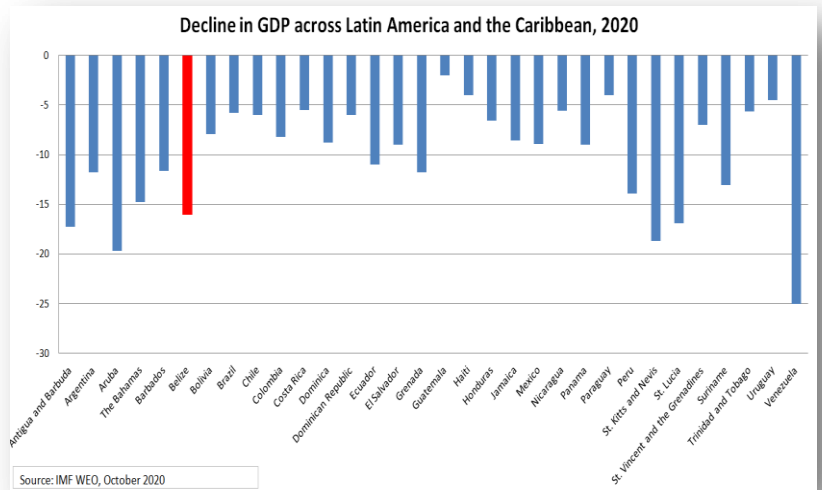
- G7 (Group of Seven) economies¹ are likewise impacted. This includes the *United States* that is expected to contract by -4.3%; *Italy* by -10.6%; *France* and *the United Kingdom* by -9.8%

GDP (% change) Outlook for G7 Economies 2019-2023					
Country	2019	2020	2021	2022	2023
Canada	1.656	-7.141	5.176	3.401	2.435
France	1.509	-9.757	6.026	2.862	2.292
Germany	0.555	-5.983	4.184	3.063	1.79
Italy	0.301	-10.645	5.24	2.63	1.697
Japan	0.671	-5.273	2.321	1.66	1.233
United Kingdom	1.463	-9.762	5.921	3.171	1.861
United States	2.161	-4.272	3.078	2.941	2.263

Source: IMF WEO, October 2020

- Growth in Latin America and the Caribbean (LAC) is forecast to be down by approximately -9%.

- The steepest decline is seen in Venezuela (-25%),
- The mildest contraction is for Guatemala's at -2%.



- **BELIZE:** GDP is forecast to contract by -16%.

¹ G7 (Group of Seven) countries include: i.e. Canada, France, German, Italy, Japan, United Kingdom, and the USA



- Over the next two years, forecasts imply that Belize’s GDP shall increase to:
 - \$3.40 billion in 2021, and
 - \$3.62 billion in 2022.

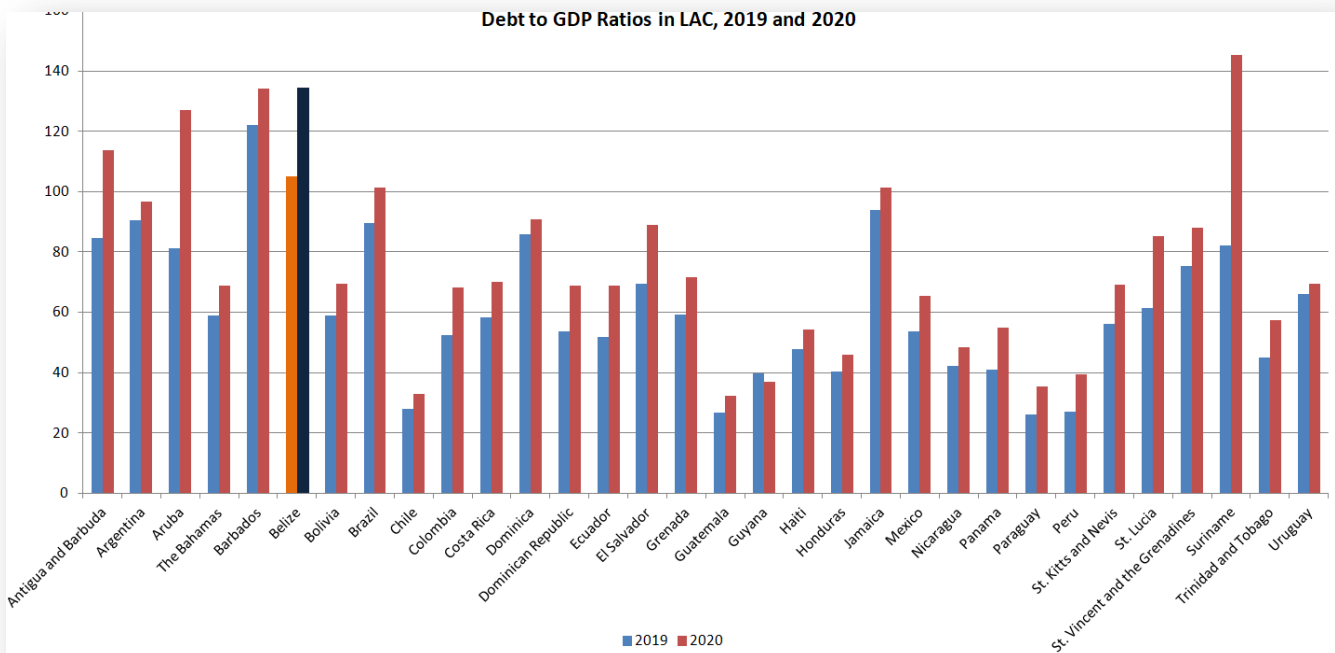
- Other tourism-dependent economies also seeing sharp contractions include:
 - Antigua & Barbuda (-17%),
 - Aruba (-19%),
 - Bahamas (-14.8%),
 - Barbados (-11.6%), and
 - St. Lucia (-16.9%).

Public Sector Debt

Debt Statistics have also deteriorated for advanced and developing economies. The USA’s debt is expected to climb to 131.2% of GDP.

- Italy’s at 162%;
- United Kingdom at 108%,
- France is predicted to be at 118%,
- Germany’s forecast is for 73.3%.

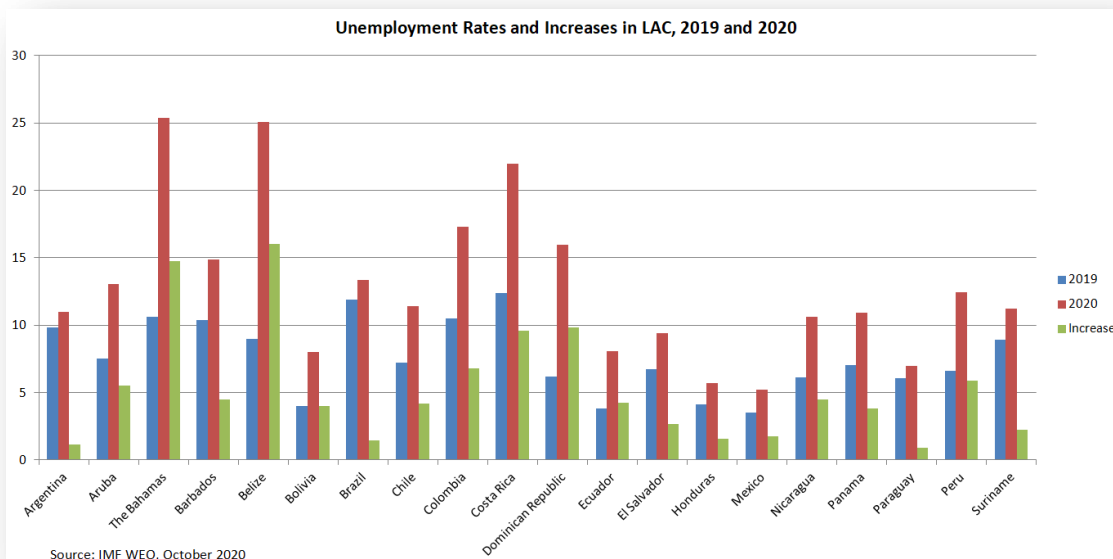
Latin America and Caribbean





- **REGIONALLY**, the debt, the ratios range from Chile’s low 32% to Suriname’s high of 145%².
- **BELIZE:** the Central Bank of Belize (CBB)’s July 2020 report indicated that the country’s debt had already climbed to 131.2% of GDP, up by 37 percentage points from last year’s 94% (see IMF Article IV). The IMF forecasts a debt-to-GDP ratio of 134.6%.
 - IMF conservatively predicts an additional \$500 million increases in public sector debt between 2020 and 2022, keeping debt levels elevated at approximately 129.5% until 2022.

UNEMPLOYMENT



- **REGIONALLY:** Unemployment is expected to increase by an average of 5.3 percentage points.
- Three LAC countries with the sharpest percentage-point increases are
 - The Bahamas (14 percentage points),
 - Belize (16 percentage points),
 - Dominican Republic and Costa Rica (approx. 10 percentage points),

² Note: Venezuela is excluded due to data availability constraints.



- **BELIZE:** Estimated unemployment rate of approximately 25%. The IMF's figures for Belize could be treated as being a bit "conservative".
 - Based on the number of persons qualifying for unemployment relief and the pre-COVID-19 unemployed, Belize's unemployment rate may be between 30% and 32%.
 - IMF Outlook: Belize's unemployment rate is estimated to fall to 20%, 18.5%, and 17.8% in 2021, 2022, and 2023, respectively