



PR#521

## PRESS RELEASE

### **Belize Participates in IMF-World Bank Group Annual Meeting**

*Belmopan. October 21, 2021. 10:20 a.m.*

Hon. Christopher Coye, Minister of State in Finance, Economic Development and Investment, and Dr. Osmond Martinez, Chief Executive Officer in the Ministry of Economic Development, participated in the Meeting of Governors of the Caribbean Region with the World Bank as part of the 2021 International Monetary Fund (IMF)-World Bank Group Annual Meeting on October 20, 2021. This year's theme was "From Response to Recovery: Charting a Dynamic Transformation for the Caribbean."

In his remarks, Minister Coye indicated that tourism is a key sector of Belize's economy, constituting over 40 percent of Belize's GDP through both direct and indirect contributions. However, in 2020, COVID-19 shut down tourism with 71 percent loss in international arrivals, which resulted in a staggering 14 percent economic contraction. With COVID-19 and the increasing occurrence of hurricanes, droughts, and floods, both government and the private sector have barely been able to keep up with each new crisis. Both public and private sectors have had to borrow at high interest rates forcing them into dangerously unsustainable debt situations.

Minister Coye also indicated that the government is forging ahead to make the tourism sector more sustainable and to diversify the economy. In doing so, in less than a year, Belize has managed to make a modest economic recovery with overall macro-performance for the year ahead of target at around six percent, triple IMF estimates, although this is a tenuous positive with Belize now in the midst of a third COVID-19 wave. Minister Coye emphasized that the approach to a sustainable and resilient recovery of the tourism sector is holistic and that Belize aims to enhance overall safety for visitors, and at the same time provide financial and technical support to tourism businesses, particularly micro, small and medium enterprises, to aid

in their recovery. He added that the economy must be further diversified by increasing agricultural exports and expanding business process outsourcing.

Hon. Coye stated that the potential for sustainable recovery is there, but lack of access to more affordable financing limits the country. Belize consistently finds itself ineligible for the concessionary financing opportunities offered by the International Financial Institutions (IFIs). Even though Belize is one of the most affected countries in the world by weather-related events and other natural hazards with average annual losses due to natural disasters of close to four percent of GDP, Belize does not yet qualify for grant and concessionary financing from International Development Association (IDA), an arm of the World Bank. This is due to Belize being a small low-lying coastal state and not a small island. He indicated that this exclusionary policy was arbitrary and appeared contradictory since Belize is internationally recognized by the United Nations as a small island developing state (SIDS). As a SIDS, Belize receives special consideration under the United Nations Framework Convention on Climate Change and the various climate funds including the Adaptation Fund, the Green Climate Fund and the Global Environment Facility for which the World Bank serves as trustee.

Minister Coye concluded his address by recognizing the global efforts placed by the IFIs, but appealed for more to be done to ensure that Belize can benefit. He called for IFIs to urgently align concessionary financing eligibility criteria, particularly the IDA criteria, to take better account of the critical status of Belize's economic realities.

**Ends**