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INFORMATION

June 18, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Belize - Staff Report for the 1984 Article IV Consultation

The attached supplement to the staff report for the 1984 Article IV consultation with Belize has been prepared on the basis of additional information.

If Executive Directors have technical or factual questions relating to this paper prior to the Board discussion, they should contact Ms. Suss (ext. (5)7154).

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

BELIZE

Staff Report for the 1984 Article IV Consultation
Supplementary Information

Prepared by the Staff Representatives for the
1984 Article IV Consultation with Belize

Approved by E. Wiesner and W. A. Beveridge

June 18, 1984

This supplement describes revenue measures just adopted by the Belizean authorities.

1. On June 15, 1984 the Parliament of Belize passed a supplement to the FY 1984/85 budget which contains the following revenue measures:

- (a) an increase in the stamp tax from 6 percent to 8 percent;
- (b) a new excise tax of BZ\$0.10 per bottle on soft drinks;
- (c) a 22 percent increase in the excise tax on domestic beer; and
- (d) an increase in the tax on gasoline and aviation fuel from 20 percent to 30 percent.

2. In addition, the following utility rates have been increased effective June 1984: the electricity rate has been raised by 16 percent and the water rate by 33 percent.

3. The Belizean authorities estimate that the annual yield of these measures will be about BZ\$13 million. Also, efforts to collect income tax arrears have been intensified and the authorities estimate that this should yield another BZ\$2 million on a 12-month basis. An improvement in revenue of BZ\$15 million would be equivalent to some 4 percent of GDP.

4. On the basis of these new revenue measures, the Belizean authorities have indicated to the staff their wish to enter into negotiations with the Fund for a stand-by arrangement.