

BELIZE FACTS AND FIGURES

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SECTION: PART II: GOVERNANCE/GOVERNMENT FINANCES

Government Finances

The annual budget of the Government of Belize is forecasted by the Ministry of Finance which is headed by the Prime Minister.

Government's Financial Year begins April 1 of one year and ends on March 31 of the following year. As the new financial year approaches, each Ministry proposes a budget. The Ministry of Finance estimates the expected revenue for the next fiscal year and determines the amount of money that will be allotted to each ministry.

Government earns most of its revenues from taxes such as Personal Income Tax, Business Tax and General Sales Tax. Customs Duties and Revenue Replacement Duty also represent a large income stream. There are other non tax sources such as licenses, rents and royalties.

There are two main parts to the Government Budget: the Recurrent Budget which refers to income and expenditure on operations and the Capital Budget deals with more costly durable items.

The Recurrent revenues comprise of taxes and license fees paid to government and Recurrent expenditures are classified as either Functional or Economic. The Functional expenditures are monies spent on the different functions and services such as security and healthcare. The Economic classification includes costs such as wages and salaries.

The Capital budget reflects investments in durable goods such as roads, buildings and technology. The Capital budget comprises income from sale of shares in public organizations and Capital expenditures. The expenditures are classified as Capital II expenditures and Capital III expenditures. Capital II expenditures are borne by the Government but also includes counterpart funding from abroad. Capital III expenditures are financed from international sources either as grants or loans.

In the year 2009-2010, the income of the Government of Belize was \$718,205,409. For the same period, the expenditure was \$799,816,784. By budget year 2013-2014, Government earned \$900,594,062 and spent \$974,637,521.