

# U.S. Country Commercial Guides



**Belize**

**2017**

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# Doing Business in Belize

## Market Overview

Belize has a total area of 8,867 square miles and an estimated population of 370,000 inhabitants (estimates of September 2016). Belize has an open, private sector led economy based primarily on agriculture, tourism, and services.

Tourism remains the nation's largest foreign exchange earner. Tourist arrivals for 2016 increased (very modestly) for the fourth consecutive year amounting, to 1,385,547. That number was 1,299,100 in 2015, 1,289,351 in 2014 and 971,527 in 2013. Overnight tourists accounted for roughly 380,631 versus 341,125 in 2015 and 1,004,916 were from cruise ship arrivals versus 957,975 in 2015. Estimates of annual tourist expenditures amounted to roughly US \$245 million and accounted for 38.1% of GDP in 2016. The sector is expected to increase further over the next several years with additional airline routes, the Norwegian Cruise Line private island terminal and destination, and further investments in hotels like the Hilton and Leonardo Di Caprio's Blackadore Caye.

Despite significant decreases in earnings across all major commodities for 2016, the agriculture and agro-productive sectors rank second most important in economic performance. In 2016, this economic sector faced many challenges including diseases that reduced production of citrus fruits and shrimp, Hurricane Earl which caused wind and flood damage to banana and grains, and poor deteriorating infrastructure which added to the cost and time of getting products to markets. Belize's gross exports for 2016 amounted to \$201 million, down 25.1 percent from the US \$268 million in 2015. The main exports were sugar (25.6%), citrus (21.9%), bananas (17.4%), marine products (10.4%), crude petroleum (5.6%), and animal feed (3.1%), among others.

As a consumer country that relies heavily on imports, Belize's trade imbalance continues to grow. Belize's gross imports for 2015 totaled \$1,029.5 million, up from 2014's \$1,002.67 million. Together machinery & transportation equipment, manufactured goods, fuels, food and chemicals account for roughly 66 percent of all exports for Belize.

For 2016, the United States remained Belize's lead trading partner. While the U.S. remained the major importing partner, accounting for 37% of overall imports, it dropped to Belize's second largest export destination after the United Kingdom, with 29% of exports or \$59 million. Other major trading partners for imports included Central America, Mexico, Netherlands Antilles, and China; other major trading partners for exports included the United Kingdom, other European Union countries and CARICOM. For more information visit the Statistical Institute of Belize [website](#).

U.S. companies should consider exporting to Belize, as it is an open economy that is very much dependent on U.S. imports. It is also its close proximity to the United States which makes it accessible via air, terrestrial, and shipping routes. It is also the only English-speaking country in Central America. It has a relatively skilled labor force and a higher cost of living than neighboring Central American countries with a strong appetite for American consumer products.

Belize continues to have peaceful, democratic elections. On November 4, 2015, the United Democratic Party led by Prime Minister Dean Barrow became the first party since Belize's independence in 1981 to win three consecutive terms in office. Barrow's party won 19 of the 31 electoral divisions with overall voter turnout approximately 73%.

## **Market Challenges**

Belize is one of the smallest consumer markets in the Central America and Caribbean regions.

In order to protect certain domestic industries, the government maintains a list of 25 categories of products that require import licenses. This list includes mostly consumer goods, such as flour, rice, beans, carbonated beverages, and beer. The government maintains price controls on various products such as rice, sugar, and flour. Also, certain products in the food and beverage industry are protected through the levying of high tariffs. For more information visit the Belize Customs [website](#) and the Belize Bureau of Standards [website](#).

Imported products are subject to tariffs such as Import Duties; Cost, Insurance, plus Freight (CIF Value); Revenue Replacement Duties (if applicable); General Sales Tax; and Environmental Tax. Import duties generally range from zero to 45 percent. The zero is applicable on some food items, books and educational material and medicines, while the rates of up to 45 percent apply to items such as vehicles, fresh peppers, pepper sauces, live animals, and boats. Many general household products e.g. grocery and clothing carry an average import duty rate between 10 to 20 percent, while items that are considered luxury like SUV vehicles, alcohol, cosmetics or items that compete with domestic industries may range from 70 to 120%. Thereafter Cost, Insurance, plus Freight (CIF Value) is applied as well as General Sales Tax, which is applied at a flat rate of 12.5 percent. In 2016, the Government of Belize increased Environmental Tax from 2% to 3% on all imports, excluding some medicines and food items; however, automobiles are charged the Environmental Tax at a rate of five percent. For more information visit the Belize Customs and Excise Department [website](#) with details on tariff rates and eligibility.

Another shock was triggered by the "de-risking" of Belize by global banks leading to the loss of the correspondent banking relationships. In the past three years, two onshore banks had their correspondent banking services terminated along with other banks operating in the offshore banking sector. While all banks have current correspondent banking relations, there is still uncertainty with regard to the longevity of those relationships, delay in transactions, and fewer services being offered by the correspondent banks at higher costs.

The country does not yet have an export-import bank able to facilitate transactions of exporters and importers. This limits the ability of domestic producers to access financing for raw material importation/purchasing from potential U.S. suppliers. In turn, this also limits local manufacturers from attaining export readiness to conduct large scale transactions with foreign markets.

Belize is not as competitive as its Central American neighbors. There is a relatively high cost of doing business, evident in the relatively high cost of inputs like utilities, fuel and telecommunication services. As of May 2017, prices per U.S. gallon of premium, regular, and diesel were \$5.52, \$5.13, and \$4.68 respectively. The country has not been able to take

advantage of electronic commerce, as many of its institutions lack the ability to conduct online operations or process online registrations. Belize also has one of the highest costs for high speed internet in the region. Electric rates are prohibitively high. In June 2016, the Public Utilities Commission approved a new the Mean Electricity Rates (MER) to 18.5c per kilowatt hour. In April 2017, Government of Belize, as part of its Fiscal Budget for 2017/2018, lowered the tax threshold for electricity consumption from \$100 to \$50. This provision will mean that persons whose residential electricity consumption exceeds \$50 would now need to additionally pay General Sales Tax of 12.5% on consumption.

Even though lending rates have declined in the last couple of years, accessing credit remains constrained in light of relatively high borrowing rates. The 12- month weighted average interest rates for 2016 were 9.42% on loans and 1.79% on deposits, respectively.

Complaints of lengthy bureaucratic delays and corruption serve as disincentives to foreign investments. Investors are advised to perform due diligence when planning investments as there have been highly publicized cases of land title fraud.

Government agencies are also deficient at collecting, analyzing, and publishing usable business or trade data in a timely manner. Most major reports take up to six months before they are made available online. The Statistical Institute of Belize and the Central Bank of Belize do provide monthly and quarterly releases on economic data relating to inter alia, the financial sectors, financials of regulated financial institutions, labor, demographics, consumer price index and external trade. For more information, visit the [Statistical Institute of Belize](#) and the [Central Bank of Belize](#).

In 2016, Government of Belize, with the support of the Commonwealth Secretariat, completed a review of existing Fiscal Incentives, Export Processing Zones, and Commercial Free Zones. While no action has yet been taken as a result of this review, potential investors should be aware of this ongoing process when discussing investment concessions.

In general, Belize lacks political risk insurance, and as a practice rarely engages in title insurance on real estate property transactions.

Legislation passed in April 2010, called the Supreme Court of Judicature Amendment Act, restricts individuals and companies from pursuing legal action against the government. Penalties for violation of the Act include minimum fines of US\$25,000 up to \$125,000 or imprisonment of not less than 5 years and up to 10 years for individuals. The Caribbean Court of Justice, Belize's highest appeals court, considered this Act in 2013 and ruled that the penalties were extreme, but did not find the Act itself unconstitutional.

## **Market Opportunities**

Belize's location does offer some advantages—proximity to the United States, links with Central America and CARICOM, strong cultural influences from North America, and easy air transportation and short distance shipping routes to the United States.

The Belize Trade and Investment Development Service (BELTRAIDE) is responsible for promoting investments in Belize's priority sectors. It also maintains statistics and information on establishing new businesses in Belize. This agency also manages the Government of Belize's investment concessions and incentives programs. Priority sectors for investment



include agriculture, agro-processing, aquaculture, logistics and light manufacturing, food processing and packaging, tourism and tourism-related industries, business process outsourcing (BPOs), and renewable energy. In 2016, BELTRIADE introduced the Belize Investment Portfolio to better match and fast track investment priorities either through public-private partnerships or investor to investor opportunities. For further information, visit the Belize Trade and Investment Development Service [website](#).

Tourism remains atop the list of industries of economic importance for Belize as its proximity to the United States, English speaking population, and tropical climate continue to attract tourists in droves. Entrepreneurs consistently seek ways to improve tourism product delivery, tourist safety, and the uniqueness of Belize's tourism product. This allows for further investment opportunities in tourism infrastructure and support services including cruise terminals, hotels, auto rentals, Wi-Fi access, and food supply.

A large percentage of Belize's population speaks English, Spanish, or a combination of both, thus creating an emerging market for business process outsourcing (BPO) (call centers) that possess the capacity to cross-train the workforce to perform work in various customer service areas. The BPO sector is comprised of over 25 centers employing over 3,000 agents.

Belize's available arable land is well suited for investments in Agriculture and Agri-business, though investors should be aware of applicable government land use policies (given the fragility of Belize's environment and dependency on eco-tourism). The country currently produces primary products including beans, rice, citrus, sugar, bananas, corn, and cacao. Value-added agri-business investments are very much needed; Belize lacks affordable food packaging and preservation options. Growing threats of disease and natural disasters present opportunities for potential investors to assist. Opportunities also exist for the cultivation of fresh fish and shrimp as aquaculture has re-emerged in Belize.

## **Market Entry Strategy**

Belize has the smallest economy in Central America with a total gross domestic product (GDP) of US \$1.86 billion.

To start a new business, American investors can establish a Belizean limited liability company under Chapter 250 of the Laws of Belize. To set up a new company or to own shares in a Belizean company, non-Belizean citizens must seek permission from the Central Bank of Belize. After forming a company, trade licenses must be acquired from the local city or municipal town council.

A potential way for American exporters to penetrate the Belize market is to seek a local importer/wholesaler to act as an agent/distributor in Belize. A typical distribution channel for an American-made product involves the U.S. manufacturer or distributor, the local importer or wholesaler (who may act as the distributor), the retailer, and finally the buyer/consumer.

## **Political Environment**

### **Political Environment**

For background information on the political and economic environment of the country, please click on the link below to the [U.S. Department of State Background Notes](#).

## **Selling US Products & Services**

### **Using an Agent to Sell US Products and Services**

Many U.S. exporters of consumer products will find that an agent/distributor arrangement is the most convenient, practical, and cost-effective mechanism for sales in Belize. Local distributors tend to have superior market knowledge and distribution networks. The use of an agent or distributor is not legally required.

Initially it is recommended that a U.S. exporter contact the potential distributor and gather as much information as possible regarding years in operation and other product lines distributed. Due diligence is also recommended regarding a background check, to ensure the distributor is legally registered at the Belize Companies Registry.

To find a suitable agent or distributor, an in-country visit may be required to meet directly and assess strengths, weaknesses, and opportunities. Good resources for investors are the [Commercial Section of the U.S. Embassy in Belize](#) and the regional U.S. Export Assistance Centers (USEACs) located through the country. For a complete list of USEACs visit the Export.gov [website](#).

### **Establishing an Office**

Belizean laws allow for businesses to be established under several forms: private companies, joint ventures and cooperatives, partnerships, sole proprietorships, trust funds, public investment companies, and international business companies (IBCs). The Laws of Belize feature the Companies Act, Chapter 250, which stipulates the legal requirements and steps to incorporate a limited liability company in Belize. All non-resident must obtain prior permission from the Central Bank of Belize for the right to own shares in a Belizean company. Although not necessary, an attorney can be hired to prepare and submit the necessary Articles and Memorandum of Association. (For a list of attorneys in Belize visit the U.S. Embassy in Belize [website](#).)

Once documents have been submitted to the Companies Registry, they are usually cleared and approved within two business days. Fees vary depending on the number of shares issued by the company. For additional details, contact the Belize Companies and Corporate Affairs Registry via email at [belizecompaniesregistry@yahoo.com](mailto:belizecompaniesregistry@yahoo.com) or on their [website](#).

Belizean residents are not allowed to form IBCs. The International Business Companies Registry, located in Belize City, is responsible for managing all International Business Company (IBC) registrations. Their [website](#), provides a comprehensive list of all authorized registered agents capable of incorporating IBCs. Fees vary depending on the number of shares issued by the company.

The International Financial Services Commission has the mandate to promote and develop Belize as an international financial services center and to regulate the international financial services. For additional details, contact the Belize Companies and Corporate Affairs Registry via email at [director@ifsc.gov.bz](mailto:director@ifsc.gov.bz) or their [website](#).

## **Franchising**

Although Belizeans are generally familiar with most popular U.S. brand names, franchising remains rare, due to market competition being based more on price than name recognition.

Franchising in Belize currently extends to just a few well-known brand names, including Radisson, Best Western, and Ramada in the hospitality industry, Coca-Cola in the soft drink industry, Mail Boxes Etc. in the postal service, DHL and FedEx in express delivery services and Avis, Budget, and Hertz in the auto rental business. Century 21, Re/Max, and Sotheby International Realty are also well known real estate franchises operating in Belize.

## **Direct Marketing**

Direct marketing in Belize by U.S. companies is rare. Normally, a local agent or representative is hired to perform the local marketing functions.

## **Joint Ventures/Licensing**

The government generally encourages joint ventures when investing in Belize; however, this is not mandatory. Foreign investors are allowed full ownership of companies and property in Belize.

## **Selling to the Government**

Belize is not a party to the WTO Agreement on Government Procurement and neither are they a party to any U.S. Free Trade Agreements. However, the United States remains Belize's leading trading partner, suppliers of U.S. products and services generally have little difficulty selling to the Government of Belize.

The Finance and Audit (Reform) Act 2005 legislates rules relating to government procurement of goods and services. Under the Act, government procurement is decentralized among government entities including central government, statutory bodies, some state-owned enterprises, municipal councils, and village councils.

## **Distribution & Sales Channels**

A typical distribution channel for an American-made product involves (1) the local importer, who is also generally the wholesaler and the distributor, (2) the retailer, and finally (3) the buyer/consumer.

Cargo imported from neighboring Central America and Mexico enters Belize through the two official inland border crossings located at the country's western border with Guatemala, or northern border with Mexico.

Goods imported from North America, the Caribbean, and Europe enter the country through either Port of Belize Ltd. (Belize City) or the Port of Big Creek (Stann Creek district). Together these two ports handle around 90% of import shipments and a similar portion of exports. Cargo ships typically depart Europe for Miami/Houston, then Belize, and on to Central and South America.

Because Belize City is the commercial hub of Belize the port there receives imports mostly for dry goods, merchandise, machinery, automobiles, consumer goods, and fuel. It features a

1,000-foot pier for ships to load and unload cargo. For additional details, please visit the Port of Belize [website](#).

The Port of Big Creek, located to the south in Independence Village, is the second largest port and handles bulk and break-bulk cargo. It features three full service berths allowing for direct docking of cargo ships alongside the mainland. This port accommodates large ships for the transport of citrus, bananas, fertilizers, grain, other agricultural produce, crude oil, and petroleum fuel. For additional details, please visit the Big Creek Group [website](#) or contact [info@bigcreekgroup.com](mailto:info@bigcreekgroup.com).

There are two other ports handling cargo (Puma Energy and WitConcrete) and four passenger ports (Fort Street Tourism Village in Belize City, Punta Gorda, Saca Chispas in Ambergris Caye, and Harvest Caye [which opened operations in November 2016]).

## **Express Delivery**

DHL and FedEx operate in Belize and are very reliable. Both offer delivery services within 2-3 working days. Deliveries are routed via Miami through American Airlines, Amerijet, or Avianca flights. The Belize Post Office in partnership with the U.S. Postal Service also provides Express Mail Services (EMS). Deliveries normally take four to five business days.

All express service providers facilitate the payment of customs duties and tariffs. For DHL and FedEx, customers pay a service charge in addition to the customs duties. For the Post Office, a customs officer is based at the Belize City Post Office and is responsible for assessing the duties payable. In other local offices, the post office personnel act as agents for customs.

Customs charges are assessed in line with Customs Department procedures accounting for Import Duties, Revenue Replacement Duties, General Sales Tax, and Environmental Tax, where applicable. See the Chapter on Trade Regulations, Customs and Standards

Local companies also offer express delivery services across the country, generally same day delivery.

## **Selling Factors & Techniques**

Most major importers and wholesalers employ local commission agents who sell and deliver the product to the retailer. Personal contact with the clientele is always recommended. As an English-speaking country, it is recommended that advertising materials be in English. Additionally, all goods for sale in Belize must meet the requirements set by the Belize Bureau of Standards. For detailed information visit Belize Bureau of Standards [website](#).

## **eCommerce**

### **Overview**

In the telecommunications sector, competition is still developing and prices remain high by regional standards, adding to the costs of doing business. A positive development for the sector was the establishment of Belize's first Internet Exchange Point (IXP) in April 2016, which is expected to reduce the cost of local Internet traffic.

According to the International Telecommunication Union for 2016, approximately 30.2% of households had internet access and 44.6% of individuals were using the internet.

### **Social Media**

Websites have become more common as a means of advertisement in recent years; however, some websites are not updated frequently and therefore can carry outdated content. Social media use as a marketing tool continues to grow. Facebook in particular is a primary source of news and information for the majority of Belizeans, including the government.

### **Trade Promotion & Advertising**

There are two large annual trade show events held in Belize. The National Agriculture and Trade Show is organized by the Ministry of Agriculture and is normally held in April.

The Expo Belize Market Place trade show is organized by the Belize Chamber of Commerce and Industry, the largest private sector organization in the country. The Expo is also a two-day event usually held in September and is one of the much-anticipated events in Belize. The U.S. Embassy in Belize typically has a booth at the Expo in which U.S. companies are welcome to participate. For more information, please e-mail [BelmopanCommercialInquiries@state.gov](mailto:BelmopanCommercialInquiries@state.gov). See also the Belize Chamber of Commerce and Industry [website](#).

Business advertising in Belize is done mainly through radio, newspapers, magazines, television, social media and billboards. The following are links to the major local newspapers and television stations:

#### Newspapers

[Amandala](#)

[The Belize Times](#)

[The Reporter](#)

[The Guardian](#)

#### Television Stations

[Channel Five](#)

[Channel Seven](#)

[Love TV](#)

[Plus TV](#)

[PG TV](#)

### **Pricing**

Certain items, including basic foodstuffs (rice, beans, sugar, bread, and flour), and butane gas are subject to government price controls (2012 Supplies Control (Amendment) Regulations).

In April 2010, the General Sales Tax (GST) was raised to 12.5%. The tax is a consumption tax applicable on all commodities. Regarding GST, staple food items such as rice, beans, corn, fresh meat, flour, sugar, eggs, bread, and tortilla are zero-rated, while water, school fees,

house rent, insurance, medicine, and hotel rooms are considered exempt goods and services. For a full listing of zero-rated and exempt goods visit the Department of General Sales Tax [website](#).

Imported products are subject to tariffs such as Import Duties, Cost, Insurance, plus Freight (CIF Value), Revenue Replacement Duties (if applicable), General Sales Tax, and Environmental Tax. Import Duties generally range from zero to 45 percent. The zero is applicable on some food items, books and educational material and medicines, while the rates of up to 45 percent apply to items such as vehicles, fresh peppers, pepper sauces, live animals, and boats. Many general household products e.g. grocery and clothing carry an average import duty rate between 10 to 20 percent, while items that considered luxury like SUV vehicles, alcohol, cosmetics or items that compete with domestic industries may range from 70 to 120%. Thereafter Cost, Insurance, plus Freight (CIF Value) is applied as well as General Sales Tax, which is applied at a flat rate of 12.5 percent. In 2016, the Government of Belize increased the Environmental Tax from 2% to 3% on all imports, excluding some medicines and food items; however, automobiles are charged the Environmental Tax at a rate of five percent. For more information visit the [Customs and Excise Department](#) with details on tariff rates and eligibility.

The above cost factors must be accounted for during the establishment of appropriate pricing mechanisms in traded products.

### **Sales Service/Customer Support**

Belize generally lacks adequate customer support and after sales service sectors. After-sales services in Belize are limited to business establishments dealing with electronic equipment, such as photocopiers, typewriters, computers, air conditioners, cellular phones, cars, and trucks.

### **Protecting Intellectual Property**

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles please consult expor on [Protecting Intellectual Property](#) and [Corruption](#).

#### **IP Attaché Contact Belize**

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Mexico D.F

(52) (55) 5080- 2189

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## **Due Diligence**

Whether a U.S. investor or company plans to invest in a business, sell, or buy property in Belize, it is always advisable that they seek background information on their local partner, conduct title searches on real estate or property, and conduct due diligence before completing the business transaction.

The U.S. investor may want to seek the services of a local accountant or attorney who may be able to assist with obtaining background information and/or conducting a property title search.

It is also beneficial to cross check the legitimacy of local companies at the Belize Companies Registry, to ensure they are legally registered to operate in Belize.

At times an in-country visit and direct meetings may be required to gather sufficient information on facilities, infrastructure, and adequacy of potential agents, distributors, retailers, or wholesalers.

## **Local Professional Services**

The following references are links to associations registered in Belize that can be a source of professional information and/or services:

[Belize Coalition of Service Providers](#)

[The Institute of Chartered Accountants of Belize](#)

[The Association of Professional Engineers of Belize](#)

[Customs Brokers Association of Belize](#)

[The Belize Chamber of Commerce and Industry](#)

[The American Chamber of Commerce of Belize](#)

[The Belize Tourism Industry Association](#)

## **Principle Business Associations**

The principal private sector business associations are the Belize Chamber of Commerce and Industry ([BCCI](#)) and the American Chamber of Commerce ([Belize Chapter](#)). The BCCI is the largest private sector based organization in Belize with a membership of almost three hundred local businesses from a wide cross-section of the agricultural, productive, service and industrial sectors. The American Chamber of Commerce of Belize (AmCham-Belize) similarly is a private sector based organization made up of individuals and companies. Both organizations accept Belizean and America members and seek to promote the commercial interest of their members through networking among their members and advocating for policy with the Government of Belize.

## **Limitations on Selling US Products and Services**

Generally, Belize has no restrictions on foreign ownership, control or participation in companies. Nevertheless, Small and Medium sized enterprises (SMEs) wishing to benefit from



certain incentives offered by BELTRAIDE as well as those wishing to establish as tours operators need to have 51% local ownership.

## **Web Resources**

[United States Embassy – Belize](#)

[U.S. Export.gov](#)

[Commercial Liaison Office to the World Bank](#)

[Commercial Liaison Office to the Inter-American Development Bank](#)

[International Business Companies Registry](#)

[The Amandala Newspaper](#)

[The Belize Times Newspaper](#)

[The Reporter Newspaper](#)

[The Guardian Newspaper](#)

[Channel 5 Belize News](#)

[7 News Belize](#)

[Belize Chamber of Commerce and Industry](#)

[American Chamber of Commerce and Industry](#)

[Belize Tourism Industry Association](#)

[Love Television](#)

[Plus Television](#)

[Belize Customs and Excise Department](#)

[Belize Trade and Investment Development Service](#)

[Belize Coalition of Service Providers](#)

[The Institute of Chartered Accountants of Belize](#)

[The Association of Professional Engineers of Belize](#)

[Belize Intellectual Property Office](#)

## **Leading Sectors for US Exports & Investments**

### **Travel and Tourism**

#### **Overview**

Over the past decade, Belize has grown into a prime destination for American tourist and retirees. Tourism continues to reflect robust growth prospects. It contributes approximately to 38.1% (\$244.85 million) of GDP and rank among Belize's top foreign exchange and revenue earners. In the industry, there are several tourism-related opportunities for investment and

trade including in the areas of ecotourism, adventure, nature, cruise, nautical tourism related activities.

The Belize Tourism Board is the statutory body responsible for management and oversight of the tourism industry. They regulate, administer, and monitor the issuance of licenses for hotels, accommodations, tour guides, and tour operators. Visit Belize's travel [website](#) for more information.

Although some resorts have invested substantially in the tourism industry, hotels, and most tourism in general in Belize caters to a "boutique-style" experience, often focusing on adventure and recreational or "eco-tourism" activities.

Opportunities also exist in sub sectors supporting the tourism industry including equipment and supplies used in the hospitality sector e.g. by hotels and restaurants, general merchandising; printing, marketing and promotional materials and supplies; construction equipment and supplies. Medical tourism is also emerging as a nascent subsector.

### **Leading Sub-Sectors**

There are still many tourism subsectors in Belize that have yet to be explored, including niche services and destinations. For example, the hotel and accommodation industry in Belize has adopted green technology in a haphazard manner, though Belize is seen as an eco-adventure destination.

Belize has been increasingly recognized for its second-home buyers' market, along with other countries in Central America including Panama and Costa Rica. Much like its competitors, Belize offers a retirement incentive. The fact that Belize is English speaking as well as its proximity to the United States is a big enticement for many U.S. citizens.

Since 2015, several new routes have continued to open up, making major destinations in the United States, Canada, and Latin America more accessible and affordable. These include Southwest Airlines routes to Houston, Denver, and more recently, Fort Lauderdale, West Jet Airlines to Toronto, Canada and COPA Airlines to Panama. Also in November 2016, Norwegian Cruise Line opened its long-awaited cruise port complete with island resorts and shopping as an upscale island destination in Southern Belize. Also in 2016, Hilton announced its expansion into Belize with the acquisition of its first property in Belize, The Resort at Mahogany Bay Village on the island of San Pedro, Ambergris Caye.

### **Opportunities**

Tourism is a very important industry for Belize, with numerous other economic subsectors dependent on this industry. For example, the auto rental and (water) taxis sectors rely on tourists and, the farmers and fishermen depend on local restaurants where tourists consume fresh produce.

Several opportunities for investment and trade exist that are directly and indirectly related to the tourism industry. These opportunities extend to ecotourism and adventure tourism, developing nature, trail and caving systems; sun and beach resorts; cruise tourism facilities including shopping centers, restaurants, cafes and bars; auto rental services; natural parks and adventure type services e.g. canoeing, horseback riding, zip lining etc. nautical tourism

including cruise tendering services, diving services, marinas, ports and services to attract tourists in vessels (yachts, sail boats, and charter boats).

As Belize becomes more accessible and attractive to tourists not only in the United States but globally, the tourism sub-subsector industry is also evolving to meet consumer demands. An increase in cruise ship arrivals is already translating to additional cruise disembarkation facilities. Recently expanded flight connections will mean an increase in construction to meet room capacity demands. Improved standards for accommodations, tourism related services e.g. zip lining will require newer consumer goods and technologies.

Applicants for investment incentives in this industry usually qualify under the Fiscal Incentives Program, offered through the Belize Trade and Investment Development Service ([BELTRAIDE](#)).

### **Web Resources**

Belize Tourism Board ([BTB](#))

[Belize Tourism Industry Association](#)

[BTB Retirement Incentives](#)

[Belize Hotel Association](#)

[BELTRAIDE](#)

## **Agricultural Sector**

Information on agricultural sectors may be drawn from FAS's online [Global Agricultural Information Network \(GAIN\)](#). FAS publishes market briefs, an annual "Exporter Guide," and a "Food and an Agricultural Import Regulations and Standards (FAIRS)" report for select markets. Consult with the nearest international [FAS office](#) regarding which reports and other data it publishes for your country or region.

### **Overview**

Agriculture and agribusiness are an integral part of Belize's economy as it continues to be the base of the productive sector and provides sources of income and livelihoods for large numbers of workers. It also contributes to the overall food security of the country as locally grown fruit and vegetables are consumed domestically.

Agriculture and agribusiness have thrived in Belize due to adequate rainfall and a relatively stable year-round sub-tropical climate. Planting and harvesting are mostly seasonal, except for a few crops that grow year-round such as banana. Banana, citrus, and sugar are the larger industries that economically dominate this sector. Crops arranged in order of major exports are Sugar (25.6%), Citrus Juices (21.9%), Banana (17.4%), Marine Products (10.4%) and Animal Feed (3.1%) among others. Non-traditional sectors include the production of cacao, corn, hot pepper sauces, processed jams, jellies, extracts, pastes.

In the sector, opportunities exist for investment and trade in areas related to agricultural machinery and equipment, modernization of systems and incorporation of sustainable technology in agricultural practices, processes and equipment e.g. improved irrigation, fertilization, organic production, as well as better disease and pest management.

Sub-sector opportunities also exist in value added investments and trade to advance packaging and preservation methods; improved production and processing processes; product marketing and branding; and storage and export handling.

### **Leading Sub-Sectors**

Agricultural Machinery

Fertilizers

Animal Feed

Farms in Belize generally lack irrigation systems or modern agricultural equipment, as a result efficiency and yield per acre can improve significantly if these were available. Some groups are moving toward more efficient farming methods. As this grows, there may be improvements all around the country in this sector and necessary improvements to infrastructure to cope with higher production and export.

Disease prevention and natural disaster mitigation are top concerns for Belize. While the citrus industry has for some time been battling with citrus greening, the shrimp farming industry expects to rebound in 2017 from a bacterial disease that has stalled production in 2016.

Belize's soils and stable climate hold the potential to create commercial cultivation of organic produce. Currently, only a few specialized small farmers grow organic produce. The cacao

grown in southern Belize is certified organic. The main cacao and sugar growers' associations are certified as Fair Trade by an international organization.

Renewable energy and fuel-efficient transport vehicles is another opportunity in this industry given the high cost of fuel in Belize and environmental concerns.

Food packaging, preservation, and any value-added investments are needed to promote food security and enhance revenues for producers.

Belize has not yet diversified or explored from the area of biotechnology. Genetically modified produce has not been introduced to the local market and there is no relevant regulatory system in place. While there is a country-wide ban on planting genetically modified crops, legislation against GMO produced crops has not yet surfaced and the debate for or against GMO continues.

Belize also needs a modern laboratory to test and validate the nutritional contents of processed food stuffs, fruits, vegetables, sauces, and other by-products for product labels. Currently, producers in Belize send their products to other countries in the Caribbean or in Central America to be tested for nutritional value and contents. This process drives up the cost of bringing products to market and limits the number of producers that can afford such services.

### **Opportunities**

Include the different investment opportunities, infrastructure projects, planned government procurements and development bank-funded projects open for U.S. companies to bid on. Where applicable, posts are encouraged to identify market opportunities for small-to-medium sized enterprises.

Agri-Business opportunities include the production of raw produce in the traditional agriculture, organic agriculture and aquaculture sectors; value-added agribusiness and livestock; biofuels including power generation, ethanol, and bio-diesel.

Production of inputs also provide investment opportunities as Belize's agricultural sector depends largely on imported inputs e.g. fertilizer and packaging materials largely sourced from Central America.

Opportunities in other agricultural related sectors include storage and export-handling facilities for agro-products. For example, a bottling, packaging, and canning facility is also needed to service small and medium size producers of fresh agricultural produce and processed agricultural products.

Investors in this sector can apply for incentives under the Fiscal Incentives Program or Export Processing Zone Program. Information on investment incentives can be found at the Belize Trade and Investment Development Service [website](#).

### **Web Resources**

[Belize Ministry of Agriculture](#)

[Belize Agricultural Health Authority](#)

[Belize Bureau of Standards](#)

[Belize Ministry of Natural Resources](#)

[Belize Pesticides Control Board](#)

[Statistical Institute of Belize](#)

[Belize Trade and Investment Development Service](#)

# **Energy**

## **Overview**

Belize is known as an eco-friendly tourism destination; however a majority of the resorts, hotels, businesses, and government agencies have not taken advantage of green technology or renewable energy. Given high energy costs, green technology and renewable investments may become more attractive in the future.

## **Leading Sub-Sectors**

There is potential in Belize for a variety of renewable energy ventures including biomass, solar, wind and hydro energy.

There may be potential to identify and create a market niche to provide solar panels, solar water heaters, and battery cells to this emerging sector, though some companies have tried with limited success.

Belize has also not yet taken advantage of bio fuels, as a means of reducing dependence on expensive imported fossil fuels, other than a cogeneration plant at the lone operating sugar mill.

The country's Sustainable Energy Roadmap 2030 identifies the following energy priorities in the medium to long term, improving energy efficiency to end users in the transport sector, domestic households, businesses and government;

In 2015, bids on renewable energy projects resulted in a total of six (6) companies negotiating to supply power to Belize's electrical grid. The companies are looking for equity investors to implement these projects.

## **Opportunities**

In 2014, the country imported 4.1% of its electricity from the state of Quintana Roo in neighboring Mexico and approximately 57.4% was sourced from renewable energy including hydroelectricity and biomass. There are possibilities to generate and sell electricity to the government owned electricity distributor. Providing such services to fill the gap of electricity supply necessary, would contribute significantly to Belize's energy independence. This would require a new regulatory framework as well.

## **Web Resources**

[Belize Electricity Limited](#)

[Belize Trade and Investment Development Service](#)

[Government of Belize](#)

[Belize Ministry of Finance](#)

# **Information Communication Technology**

## **Overview**

ICT is considered an emerging sector in Belize and deals largely with offshore call centers. Investment opportunities are available in business process outsourcing (BPO), information technology outsourcing (ITO), or knowledge process outsourcing (KPO).

These investments usually qualify for incentives under the Export Processing Zone (EPZ) Program administered by the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce.

As of early 2015, the BPO sector comprised of over 18 centers employing over 2,200 agents.

## **Leading Sub-Sectors**

There exists a data and e-commerce park located in Ladyville, near the international airport outside Belize City. This facility caters to online gaming companies, online software management services, and offshore customer service centers.

Offshore call centers supplying services to foreign clients can apply for incentives under the Export Processing Zone (EPZ) Program.

## **Opportunities**

Due to Belize's geographic location in the Central American and Caribbean regions, a large portion of its labor force is bilingual in English and Spanish. This provides a wide baseline of potential recruits for call center staffing purposes.

Since 2005, Belize has been promoting investment in the offshore outsourcing sector. Government of Belize through the Belize Trade and Investment Development Service (BELTRAIDE) continues to support the national BPO Strategy, industry infrastructure and labor force training but more extensive investment and cross-training is needed in this industry.

Other opportunities are also available in information technology outsourcing (ITO), or knowledge process outsourcing (KPO). The provision of legal process outsourcing is also in exploratory stages.

## **Web Resources**

[Belize Trade and Investment Development Service](#)

[International Communication Services Limited](#)



## **Logistics and Light Manufacturing**

### **Overview**

The Government of Belize is keenly interested in developing a cargo port facility in Southern Belize as well as another cruise ship port facility in Belize City. These plans are still in the conceptual stages. Road and infrastructure improvements are currently a national priority with several major road construction, expansion, and safety projects currently underway.

# Customs, Regulations & Standards

## Trade Barriers

In addition to the tariff barriers listed above, the Government also utilizes an Import Licensing Regime to protect the domestic market.

The Belize Bureau of Standards encompasses the Supplies Control Unit, which has responsibility for Belize's import licensing regime. The process of applying for an import license is now fully automated. After registering for the first time with the Supplies Control Unit, applications can be submitted to the [Supplies Control Unit](#). The process has greatly reduced transaction costs, and improved efficiency and timeliness. The SCU is currently seeking to pilot a web interface platform to allow for the virtual communication between the SCU and ASYCUDA.

In order to protect certain domestic industries, the government maintains a list of products that require import licenses. This list includes live animals, meat and edible offal, dairy produce, edible vegetables, certain roots and tubers, edible fruits, cereals, flour, oil seeds, sugar, beverage spirits and vinegar, prepared animal fodder, mineral fuels, oil and oil products, bituminous substances, mineral waxes, wood and wood articles. For more information, visit [Belize Bureau of Standards](#).

For more information and help with trade barriers please contact:

International Trade Administration

[Enforcement and Compliance](#)

(202) 482-0063

ECCcommunications@trade.gov

## Import Tariff

Tariffs and collection of Customs Duties and Taxes are administered by the Belize Customs and Excise Department. This Department accounts for approximately 50 percent of the Government's total annual recurrent revenue. Belize's tariff schedule is based on Caribbean Community's (CARICOM) Common External Tariff (CET). In Belize, customs duties are applied according to the rates set out in the Customs Tariff and Trade Classification, Chapter 48 Laws of Belize, First Schedule.

There are two main duties applied to imported goods and products; they are Import Duty and Revenue Replacement Duty (RRD). The Department of Customs collects Import Duties and RRD on behalf of the Government at the point of importation for most commodities, goods, and products.

Import Duties range between 0 and 45 percent with the average rate applied to commodities is 20 percent. Zero-rated goods include various food items and medicines; while 45 percent is applicable to certain automobiles and other goods, such as fresh peppers, pepper sauces, live animals, and boats. Import duties on industrial products average at a rate of 20 percent, but may be higher for products of national interest and protected for Belizean investment.

Duties are calculated on the CIF Value of goods (Cost, Insurance, plus Freight). A detailed list of items included can be found on the [Belize Customs and Excise Department](#).

Other taxes on imports include General Sales Tax (GST) and Environmental Tax (ET). GST is applied at a flat rate of 12.5 percent. In 2016, the Government of Belize increased Environmental Tax from 2% to 3% on all imports, excluding some medicines and food items; however automobiles are charged at the rate of two to five percent depending on the type of vehicle. For more information with details on rates and eligibility, visit [Department of GST](#), as well as the [Ministry of Finance](#) concerning Environmental Tax.

Revenue Replacement Duty (RRD) is not applicable to goods originating from CRIACOM countries and locally produced goods and is installed as a cost recovery mechanism for the Government. Rates are applied between 5 and 50 percent with the majority averaging 20 percent. The RRD is based on the aggregate of the customs value and the import duties; however, some commodities, like fuel and alcohol, are charged according to volume (i.e., per gallon/unit).

## **Import Requirements & Documentation**

All importers are required to submit original commercial invoices to the Customs Department at the point of importation.

The Belize Agricultural Health Authority (BAHA) is a statutory body governed by the Ministry of Agriculture and is responsible for issuing sanitary and phyto-sanitary certificates for exports. Import permits from the [BAHA](#) are required for certain foodstuffs, live animals, plant and plant materials, and veterinary vaccines. BAHA also requires phyto-sanitary and zoo-sanitary certificates, health-risk analysis documentation, and certificates of origin for animals and certain plant materials.

## **Labeling/Marking Requirements**

The [Belize Bureau of Standards](#) is mandated to establish and monitor standards requirements for labeling, packaging, metrology, and consumer protection. All locally manufactured goods and imported goods must adhere to some minimum standards for products to be legally traded and sold on the Belize market.

There are three technical regulations concerning specifically the labelling of food: general principles, pre-packaged foods, and brewery products, all of which have been developed through CARICOM'S standards process. Labeling requirements on all processed food products must be fulfilled in English and details are to include: product name, description, manufacturer's name and address, country of origin, storage instructions, net weight/volume, quantity, list of contents, nutritional information, date of production, expiration date, and identification lot. Pre-packaged processed food products labelled in English in accordance with the laws or standards in force in Canada, the Caribbean Community, the European Union, and the United States are deemed to comply with Belizean labelling standards. Other technical regulations related to labelling are provided for in product specific legislation including labelling requirements for some dairy products; as well as certain alcohol and tobacco products. Labelling of cosmetics and pharmaceutical products is regulated by the Ministry of Health.

The Belize Bureau of Standards [website](#) contains legislation and documents describing the nature of information and specifications required for products to be labeled, packaged, and sold legally in the marketplace. It should be noted that enforcement of standards is generally lax as the BBS's ability to verify compliance with standards is limited. Where possible, conformity checks are carried out after imports have cleared customs and directly at local distribution or consumer stores.

## **U.S. Export Controls**

U.S. export certification is required to export firearms and ammunitions to Belize. This certification can be obtained from the U.S. Department of State and/or the U.S. Department of Commerce.

The Departments of Commerce, State and the Treasury maintain a Consolidated Screening List API of eleven export screening lists. This list is available on the [Consolidated Screening List API](#).

Exporters will need to comply with U.S. guidelines under the Renewable Fuel Standard provisions. More information can be found on the U.S. Department of Energy [website](#).

## **Temporary Entry**

The Belize Customs Department allows temporary entry or in-transit entry of certain items into Belize. This can be achieved via a “bond process,” whereby the importer deposits a percentage of the value of the imported goods and is allowed a specified timeframe to either re-export the goods or pay applicable duties on the goods. If the goods are re-exported or are imported under a duty exemption incentive, then the importer’s deposit funds are reimbursed. However, if the goods are to remain in the country and the importer is not benefiting from duty exemption incentives, then full duties become payable.

Products brought in temporarily or in-transit generally enter duty-free zones, providing the products are not modified or transformed while in Belize. If, however, the importer later decides to modify or sell the product locally, all necessary duties must be paid at the [Customs Department](#).

## **Prohibited & Restricted Imports**

Certain goods are restricted for import into Belize based on a licensing and permit regime. The tariff applied to products originating from CARICOM member states may be different from the tariff applied to products originating from other countries. Likewise, there may also be quantity restrictions on certain products.

The list of restricted items includes peanut butter, jam, jellies, pasta, wheat flour, rice, peppers and pepper sauces, beer, alcohol, spirits, carbonated beverages, cigarettes, products made of wood, pharmaceutical medicines, pesticides, and fuel.

Beans and rice, like many other locally produced agricultural products, may not be imported if there is a surplus of these products on the domestic market.

## Customs Regulations

The Customs and Excise Duties Act, Chapter 48 of the Laws of Belize, provides the legal framework by which the Belize Customs Department assesses, collects, and enforces the collection of Import Duties, Revenue Replacement Duties, and Excise Duties. For more specific information, visit the Customs [website](#) and click on the “Legislation” tab.

The Belize Customs Department generally uses original commercial invoices and product catalogs to determine the value of goods coming into the country. Duties are charged on the CIF Value of goods.

The Valuation Unit of the Customs Department uses the U.S. National Automobile Dealers Association (N.A.D.A.) publication, commonly known as the Blue Book, to value vehicles and automobiles being imported into Belize.

The Customs and Excise may be contacted at

Customs House, Port Loyola, P.O. Box 146, Belize City

Tel: +(501)-223-7092 / 223-7093/ 223-7139 / 223-7014/ 223-7405/ 223-7015

Fax: +(501)-223-7091

## Standards for Trade

### Overview

The [Belize Bureau of Standards](#) is mandated to establish and monitor standards requirements for labeling, packaging, metrology, and consumer protection. All locally manufactured goods and imported goods must adhere to some minimum standards for products to be legally traded and sold on the Belize market.

In 2016, the BBS released its National Standardization Programme identifying key sectors it will seek to develop. These include wholesale and retail, manufacturing, agriculture, tourism, electricity and water supply, construction, petroleum, transportation and communication. The Programme envisages the establishment of new technical committees, including in the areas of: transportation and road safety; renewable energy and energy efficiency; and medical and industrial gases.

Belize is a member of the Caribbean Community (CARICOM) Regional Organization for Standards and Quality (CROSQ), Codex Alimentarius Commission, the International Standards Organization (ISO), the Pan American Standards Commission (COPANT), and the International Telecommunications Union (ITU). The BBS also participates in the International Electrotechnical Commission Affiliate Programme, and as a member of CARICOM, in the Inter-American Metrology System.

### Standards

The Belize Bureau of Standards is the only organization that develops and implements standards in Belize. The BBS engages in developing its unique standards, as well as developing and implementing regional (e.g. CROSQ) and multilateral standards (Codex Alimentarius, ISO).

## **Testing, inspection and certification**

The Belize Agricultural Health Authority (BAHA) is responsible for food safety, quarantine services, and plant and animal health inspections to facilitate trade and commerce. The institution is responsible to assess, monitor, and manage the issuance and approvals of import permits for phyto-sanitary and zoo-sanitary certificates. These are issued in cases where importers and exporters seek to trade meats, animals (including livestock), plants, seeds, and seedlings of plants.

BAHA also assists with the establishment and implementation of certification programs, including: Hazard Analysis and Critical Control Points (HACCP), Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), Standard Sanitary Operating Procedures (SSOP) as well as conduct Risk Analysis and Inspection for food safety purposes.

For more information on certifications and programs, visit the Belize Agricultural Health Authority [website](#).

There are no accredited testing laboratories in Belize. However, the Belize Agricultural Health Authority (BAHA), a public laboratory, and the Citrus Research and Education Institute (CREI), a private laboratory facility, are both seeking international accreditation.

The BBS recently achieved certification in ISO 9001:2008 for organizational quality management systems and is now pursuing accreditation in ISO/IEC 17025:2005 for testing and calibration as it seeks to provide internationally recognized calibration and testing services.

## **Publication of technical regulations**

The Belize Bureau of Standards publishes notifications on new requirements for product standards in the Belize Gazette, allowing the general public to submit comments on the proposed changes in a timely manner.

Additionally, member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

## **Contact Information**

Director, [Belize Bureau of Standards](#), Ministry of Works Compound, Power Lane, Belmopan City, Belize, Tel: 011-501-822-0446, Fax: 011-501-822-2571, E-mail: [bbs@btl.net](mailto:bbs@btl.net)

Managing Director, [Belize Agricultural Health Authority](#), Corner of Hummingbird Highway and Forest Drive, Belmopan City, Cayo District, Belize. Tel: 011-501-822-0197 or 011-501-822-0271. E-mail: [baha@btl.net](mailto:baha@btl.net)

Political/Economic Officer, Political/Economic Section, [U.S. Embassy](#) – Floral Park Road, Belmopan City, Belize, Tel: 011-501-822-4011, Fax: 011-501-822-4012, E-mail: [BelmopanCommercialInquiries@state.gov](mailto:BelmopanCommercialInquiries@state.gov)

Directorate of Foreign Trade, Ministry of Foreign Affairs and Foreign Trade, Sir Edney Cain Building, Belmopan City, Cayo District, Belize. Tel: 011-501-822-2832, Fax: 011-501-822-2837, Email: [belizemfa@btl.net](mailto:belizemfa@btl.net)

## **Trade Agreements**

Belize is a founding member of the Caribbean Community ([CARICOM](#)), a regional integration initiative between fifteen English speaking Caribbean countries. As part of the CARICOM Common Market and the CARICOM Single Market and Economy (CSME), Belize's tariff schedule is based on CARICOM's Common External Tariff (CET) and in many respects its external trade policies are aligned with those of the region. Within the CSME, Belize is also recognized as a Less Developed Country and has certain rights and benefits of this designation.

Belize, as a CARICOM member state, is a party to five bilateral trade agreements with a number of countries, including Colombia, Costa Rica, Cuba, Dominican Republic, and Venezuela.

Belize does not have an FTA with the United States nor with Canada. Belize benefits from unilateral preferential arrangements with both countries under the Caribbean Basin Economic Recovery Act (CBERA) of the United States and Caribbean – Canada Trade agreement (CARIBCAN).

Belize is a party to the Economic Partnership Agreement (EPA) between the European Union and CARIFORUM. The EPA is a trade and development agreement that covers not only traditional areas of FTAs including trade in goods, services, intellectual property, but also development support. Belize also engages with the European Union as a member of the African, Caribbean, and Pacific (ACP) group of countries.

Belize also engages at a political level in the Central American Integration System ([SICA](#)); however, it has not yet joined the Central American Economic Integration System ([SIECA](#)). It also is not part of the Central American Free Trade Agreement with the United States (CAFTA-DR).

At the bilateral level, Belize and Guatemala completed negotiations and signed onto a Partial Scope Trade Agreement, which was ratified in October 2009. For details, visit the Organization of American States' [website](#) on Commercial and Economic Information.

Negotiations on a Partial Scope Agreement (PSA) with El Salvador were launched in 2013 but have since stalled. Belize is also exploring the possibility of establishing a partial scope trade agreement with Mexico.

At the multilateral level, Belize became a signatory to the GATT in 1983 and a founding Member of the World Trade Organization (WTO) in 1995. As such it is a member of the following WTO groups: the African, Caribbean and Pacific (ACP) group, G-90 (ACP, African Group and LDCs), G-33 (agriculture), the "W52" sponsors (geographical indications), and the small and vulnerable economies (SVEs) group.

## **Licensing Requirements for Professional Services**

There are few professional associations in Belize and licensing requirements are generally set by the professional associations.

[Belize Coalition of Service Providers](#)

[The Institute of Chartered Accountants of Belize](#)

[The Association of Professional Engineers of Belize](#)

[Association of Professional Architects of Belize](#)

[Association of Real Estate Brokers of Belize](#)

[Belize Bar Association](#)

[Customs Brokers Association of Belize](#)

Further information may also be available by contacting:

[The Belize Chamber of Commerce and Industry](#)

[The American Chamber of Commerce of Belize](#)

[Belize Tourism Industry Association](#)

[Belize Tourism Board](#)

[Belize Medical and Dental Association](#)

[Music Industry Association of Belize](#)

## **Web Resources**

[Belize Agricultural Health Authority](#)

[Belize Bureau of Standards](#)

[Supplies and Control Unit](#)

[Belize Department of General Sales Tax](#)

[Belize Customs and Excise Department](#)

[Belize Ministry of Finance](#)

[Belize Coalition of Service Providers](#)

[The Institute of Chartered Accountants of Belize](#)

[The Association of Professional Engineers of Belize](#)

[Association of Professional Architects of Belize](#)

[Association of Real Estate Brokers of Belize](#)

[Belize Bar Association](#)

[Customs Brokers Association of Belize](#)

[The Belize Chamber of Commerce and Industry](#)

[The American Chamber of Commerce of Belize](#)

[Belize Tourism Industry Association](#)

[Belize Tourism Board](#)

[Belize Medical and Dental Association](#)

[Music Industry Association of Belize](#)



[Caribbean Community Official](#)

[Central American Integration System \(SICA\)](#)

[Central American Economic Integration System \(SIECA\)](#)

[Organization of American States – Foreign Trade Information System](#)

[U.S. Embassy, Belize](#)

[International Trade Administration, Enforcement and Compliance](#)

# Investment Climate Statement

## Executive Summary

Belize has the smallest economy in Central America with a total gross domestic product (GDP) of USD 1.86 billion. Though geographically located in Central America, the former British colony has deep cultural ties to the Caribbean. Due to mounting fiscal pressures and a need to diversify and expand its economy, the Government of Belize (GOB) is very open to, and actively seeking, foreign direct investment (FDI). However, the small population of the country (around 377,000 people), high import duties, bureaucratic delays, allegations of corruption, and occasional political interference in private disputes constitute investment challenges.

In late 2016, according to the President of Belize Realtors, stakeholders in real estate transactions began to complain that the Lands Department started stricter enforcement of existing Central Bank regulations (regarding appraising property and acquiring permits to use foreign currency) which effectively delays the processing of land transfers and added another layer of bureaucracy.

Additionally, the banking system is undergoing some of its own challenges. While all Belizean banks currently have access to correspondent banking relations, the issue affected both the onshore and offshore financial sectors. There is still much uncertainty with regard to the longevity of correspondent relationships with less services being offered by the correspondent banks. Additionally, financial transactions, particularly in foreign currencies, are more difficult, lengthy and costlier. The Prime Minister publicly called the correspondent banking situation “stable but fragile.”

In December 2016, Belize acceded to the United Nations Convention Against Corruption (UNCAC) amid public pressure and demonstrations from the teachers unions. The GoB is working with the United Nations Development Programme UNDP to develop a three-year plan to improve and enhance government accountability and meet UNCAC goals.

Generally, Belize has no restrictions on foreign ownership and control of companies. Nonetheless, foreign investors must adhere to regulatory requirements by the Central Bank of Belize relating to the inflow and outflows of investment. Small and Medium sized enterprises (SMEs) and tour operators wishing to benefit from certain incentives need to have 51 percent local ownership. The country continues to fare poorly in international surveys of openness and ease of opening a business.

Despite the challenges, Belize remains attractive for some investors because of the beauty of its natural resources, the relative affordability of land, proximity to the United States, and the cultural diversity and warmth of its people. Investors benefit from various incentive programs, as there is no capital gains tax and no inheritance tax. Over the past year, investments continued primarily in tourism related sectors, agriculture and agro processing.

The overall fiscal picture for Belize continues to face significant challenges. In March 2017, Prime Minister Dean Barrow completed negotiations for a third time on the country’s major external commercial debt—the so-called “Superbond 3.0”—totaling an estimated USD 554 million. Under the new arrangements, the government successfully renegotiated an overall decrease in interest payments to approximately 4.94 percent, avoiding a step up interest rate

to 6.767 percent that would have begun in August, 2017. Additionally, amortization payments were back loaded in five equal annual payments of USD 106 million from 2030 to 2034. The previous arrangement would have consisted of 38 equal, semi-annual installments of USD 27.9 million beginning in 2019. While the government negotiated some much needed policy space, skeptics question whether that space will be used prudently. In April 2017, Moody's upgraded the country's sovereign rating from Caa2 to B3 primarily due to the Super bond debt restructuring.

In 2015, the GoB also negotiated compensation settlements relating to the nationalization of Belize Electricity Limited (BEL) and the nationalization of Belize Telemedia Limited (BTL). GoB is scheduled in 2017 to continue paying its compensation to BTL in accordance with the final decision of the Permanent Court of International Arbitration. Additionally, the U.S. Court of Appeals since 2015 upheld four arbitration judgments against the GoB including one related to the BTL nationalization. The GoB in 2016 appealed to the U.S. Supreme Court to reevaluate its lower court's decision. It is expected that even if U.S. courts ultimately uphold the arbitration judgments, enforcement action would need to proceed through Belizean courts and would likely be appealed up to the Caribbean Court of Justice.

Table 1

Measure	Year	Index/Rank	Website Address
<b>TI Corruption Perceptions Index</b>	2016	N/A	<a href="#">Transparency International</a> Belize was not ranked in 2016
<b>World Bank's Doing Business Report "Ease of Doing Business"</b>	2017	112 of 190	<a href="#">World Bank's Ease of Doing Business Report</a>
<b>Global Innovation Index</b>	2016	N/S	<a href="#">Global Innovation Index</a>
<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	2015	\$ 34 m	<a href="#">Bureau of Economic Analysis</a>
<b>World Bank GNI per capita</b>	2015	\$ 4,490	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

## **Openness to and Restrictions upon Foreign Investment**

While the Government of Belize is interested in attracting foreign direct investment (FDI), certain regulatory requirements serve to impede growth and transparency.

There are no laws that explicitly discriminate against foreign investors. In practice, however, investors complain that they do not always receive the full extent of the incentives available, that land titles are not always reliably secure, and that bureaucratic delays or corruption can be hindrances to starting a business in Belize. There is a sense among investors that incentives are administered in an ad hoc manner, with frequent delays or payments not issued as originally guaranteed.

According to the International Monetary Fund (IMF), Belize's attractiveness to foreign investors could be improved by reducing the cost of doing business, particularly the costs of inputs (energy, transportation and telecommunications), and combating crime.

The Belize Trade and Investment Development Service ([BELTRAIDE](#)), a statutory body of the Government of Belize, is the investment and export promotion agency. BELTRAIDE promotes FDI through various types of incentive packages and identified priority sectors for investment as agriculture, agro-processing, aquaculture, light manufacturing, food processing and packaging, tourism and tourism-related industries, business process outsourcing (BPOs), and renewable energy.

The Government created the Economic Development Council to increase the national dialogue on private sector development to better inform policies for growth and development. The Government's Cabinet has also created a Sub-Committee for investment composed of Ministers whose portfolios are directly involved in considering and approving investment proposals.

## **Limits on Foreign Control and Right to Private Ownership and Establishment**

Generally, Belize has no restrictions on foreign ownership and control of companies; however, foreign investments in Belize must be registered at the Central Bank of Belize (CBB).

There are some investment incentives which show preference to Belizean-owned companies. For example, the Small and Medium Enterprise (SME) Fiscal Incentive, offered by BELTRAIDE, stipulates that an entity applying for benefits under the SME incentive must have a minimum of 51 percent Belizean ownership. If this condition is met, the incentive provides for a lower application fee structure.

According to the [Belize Tourism Board](#) a company must have a minimum of 51 percent Belizean ownership to qualify for a Tour Operator License. This qualification is negotiable particularly in the event a tour operation would expand into a new sector of the market and does not result in competition with local operators.

Foreign investments in Belize must be registered at the CBB in order to facilitate inflows and outflows of foreign currency during transactions, including transfers, and repatriation of profits and dividends. Foreign investors must notify the CBB and register their inflow of funds to obtain an "Approved Status" for their investment. These "Approved Status" investments will ordinarily be granted approval for repatriation of funds from profits, dividends, loan

payments and interest. The Central Bank does, however, reserve the right to request evidence supporting applications for repatriation, and anecdotal evidence suggests that delays in approval of the transfer of funds are making it harder for foreign investors to operate.

Additionally, persons seeking to open a bank account must also comply with Central Bank regulations, which differ based on residency status and whether the individual is seeking to establish a local bank account or a foreign currency account.

In late 2016, stakeholders involved in real estate transactions began to complain that the Lands Department started stricter enforcement of existing CBB regulations requiring real estate transactions between residents and non-residents to be conducted in Belize dollars. This effectively delayed the issuance of processing land transfers.

GoB's Cabinet Sub-Committee on Investment considers investment projects which do not fall within Belize's incentive regime or which may require special considerations. For example, an investment may require legislative changes, a customized memorandum of understanding or agreement from the government, or a public-private partnership. Proposals are generally assessed on the basis of size, scope, and subsidy requested. In addition, proposals are assessed on a five-point system that analyses socio-economic acceptability of the project, revenues to the government, employment, foreign exchange earnings and environmental considerations. The Cabinet Sub-Committee is composed of five Cabinet-level officials of Government including the Minister with responsibility over Investment, Trade and Commerce as Chairperson. The other members include the Ministers with responsibility for Tourism and Culture; the Environment and Sustainable Development; and Natural Resources and Immigration, along with the Attorney General. There is no set timeframe for considering projects as this would largely depend on the nature and complexity of the project. In 2016, BELTRAIDE introduced the Belize Investment Portfolio as a tool to try to match investment needs and opportunities with incoming investment.

When considering investment, foreign investors undertaking large capital investments must be aware of Belize's environmental laws and regulations. There is a requirement to prepare an Environmental Impact Assessment (EIA) when a project meets certain land area, location, and/or industry criteria. When purchasing land or planning to develop in or near an ecologically sensitive zone, it is recommended that the EIA fully address any measures by the investor to mitigate environmental risks. Environmental clearance must be obtained prior to the start of site development. The Department of Environment [website](#), has more information on the Environmental Protection Act and other regulations, applications and guidelines.

The Belize Supreme Court and the Court of Appeals both ruled that lands in the southern Belize district of Toledo are subject to some degree of indigenous, communal rights of the Mayan community. The courts ruled that the Government of Belize needs to consult with the Mayan community on development that affects communal land.

## **Other Investment Policy Reviews**

In the past three years, there has been no investment policy review of Belize by the Organization for Economic Cooperation and Development (OECD) or the United Nations

Conference on Trade and Development (UNCTAD). Belize recently undertook its third Trade Policy Review in World Trade Organization (WTO) in April 2017.

### **Business Facilitation**

The [Belize Companies Corporate Affairs Registry](#) (tel: (501) 822 0421; email: [belizecompaniesregistry@yahoo.com](mailto:belizecompaniesregistry@yahoo.com)) is responsible for the registration process of all business, companies, and non-profit organizations in Belize.

Businesses must register with the tax department to pay business and general sales tax. They must also register with their local city council or town board to obtain a trade license to operate a business. An employer should also register employees for Social Security. The [2017 Doing Business report](#) estimates it takes 43 days to start up a company in Belize. The same report ranks Belize at 112 of 190 economies on the ease of starting a business.

Belize also has offshore business services legislation which allows offshore banking, and the establishment of International Business Companies (IBCs) and trusts. For more information on Belize's offshore financial sector visit the International Financial Services Commission Belize [website](#).

[BELTRAIDE](#), a statutory body of the Government of Belize, operates as the country's investment and export promotion agency. Its investment facilitation services are open to all investors.

### **Outward Investment**

The government does not promote or incentivize outward investments. The government does not restrict domestic investors from investing abroad. The Central Bank places currency controls that limit foreign currency outflows.

## **Legal Regime**

### **Bilateral Investment Agreements**

Belize has Bilateral Investment Treaties with Austria, Cuba, El Salvador, Italy, the Netherlands, the People's Republic of China- Taiwan, and the United Kingdom. Belize also has a Partial Scope Agreement (PSA) with Guatemala on a small number of goods. The GoB is currently working with Mexico and El Salvador on two new PSAs that would allow for increased agricultural trade between the countries. Belize does not have a bilateral investment treaty and neither is it a party to a Free Trade Agreement with the United States. For additional information on Belize's Bilateral Investment Treaties see the [OAS's Foreign Trade Information System](#).

Belize has signed fifteen Tax Information Exchange Agreements (TIEA) with; Australia, United Kingdom, Belgium, Netherlands, Sweden, Finland, Greenland, Norway, Iceland, Denmark, Portugal, France, Ireland, and Mexico. Belize has no bilateral taxation treaties with the United States. Please see [OAS's Foreign Trade Information System](#).

### **Transparency of the Regulatory System**

The government publishes a Gazette that includes proposed as well as enacted laws. Government Ministries also make available policies, laws and regulations pertinent to their

portfolio available on their respective Ministry websites. Despite these measures, some investors complain that the incentive regime for incentives did not always meet their needs, that land title is not always reliable and secure, and that bureaucratic delays or corruption can be hindrances to doing business in Belize.

There are quasi-governmental organizations mandated by law to manage specified regulatory processes on behalf of the GoB, e.g. the Belize Tourism Board, BELTRAIDE, and the Belize Agricultural Health Authority. There are no reports that these processes significantly distort or discriminate against foreign investors.

The cabinet dictates government policies that are enacted by the legislature and implemented by the various Ministries of Government. Regulations exist at the local level, primarily relating to property taxes and registering for trade licenses to operate businesses in the municipality.

Accounting, legal and regulatory systems are consistent with international norms. Publicly owned companies are generally audited annually and the reports are prepared in accordance with International Financial Reporting Standards and International Standards on Auditing.

Draft bills are published in the gazette by the Government of Belize Printers and publicly available for a minimal fee. Draft bills are generally open to public comment. Once introduced in the House of Representatives, they are passed to Standing Committees of the House of Representatives which then meet and invite the public and interested persons to review, recommend changes, or object to draft laws prior to further debate. However, laws are sometimes passed quickly without meaningful publication or public review, as was the case with the Central Bank of Belize (International Immunities Act) 2017 and the Crown Proceedings (Amendment Act), 2017.

### **International Regulatory Considerations**

As a full member of the Caribbean Community (CARICOM), Belize's foreign, economic and trade policies vis-a-vis non-members are coordinated regionally. The country's import tariffs are largely defined by CARICOM's Common External Tariffs.

Belize is also a member of several other treaties as a result of its membership within CARICOM. A primary example is the Economic Partnership Agreement (EPA) between CARIFORUM and the European Union (EU).

Outside of CARICOM, Belize is also a member of the Central American Integration System (SICA) at a political level, but is not a part of the Secretariat of Central American Economic Integration (SIECA) which supports economic integration of Central America.

Belize is a member of the WTO and CARICOM and adheres to the norms established by these organizations.

The Belize Bureau of Standards (BBS) is the national standards body responsible for preparing, promoting and implementing standards for goods, services and processes. The BBS operates in accordance with the WTO Agreement on Technical Barrier to Trade and the CARICOM Regional Organization for Standards and Quality.

## **Legal System and Judicial Independence**

As a former British colony, Belize follows the English Common Law legal system which is based on established case law. Contracts are legally enforced through the courts. In 2010, Belize's adopted the Caribbean Court of Justice (CCJ) as its final appellate court on civil and criminal matters. This replaced the Judicial Committee of the Privy Council of the United Kingdom.

General information relating to Belize judicial and legal system, including links to Belize's Constitution, Laws and judicial decisions are available at the Judiciary of Belize [website](#) The information available on the Judiciary of Belize website is by no means exhaustive but merely for reference.

Belize has a written Contract Act which is supported by precedents from the national courts as well as from the wider English speaking and Commonwealth case law. There are no specialized courts to deal with commercial disputes or cases. The Supreme Court introduced court – connected mediation as an alternative to litigation.

The Belize Constitution is founded on the principle of separation of powers, which requires that the judiciary be independent from the executive branch of government. However, the Bar Association of Belize sued the GoB over its 2008 sixth amendment to the Belize constitution, which gave the government direct control over the length of time judges at the magistrate level would be appointed. In February 2017, the CCJ dismissed the appeal by the Bar Association. While the Court found that the Government's Constitutional Amendment was not unconstitutional, it made strong recommendations to revise the manner in which Justices of the Appellate Courts are appointed and their tenure is determined to ensure stronger judicial independence and impartiality.

The current judicial process faces systematic challenges that relate both to civil and criminal cases, including frequent adjournments, delays, and a backlog of cases. Even though much remains to be done to improve overall effectiveness of the judicial process, several measures are being implemented to improve the country's judiciary. The training of mediators and the introduction of court – connected mediation support alternative methods to dispute settlement. This effort along with better case management procedures is expected to decrease the courts case load, time delays and cost particularly for smaller claim civil cases.

Regulations and enforcement actions are appealable. Judgments by the Belize Supreme Court and the Court of Appeal are available at the Belize Judiciary [website](#). Judgments by the Caribbean Court of Justice, Belize's highest appellate court are available at their [website](#). The Government of Belize is also being challenged in four cases that are before the U.S. courts.

## **Laws and Regulations on Foreign Direct Investment**

In December 2016, Belize acceded to the United Nations Convention Against Corruption (UNCAC) amid public pressure and demonstrations from the teachers' unions. Please see the section on corruption for more information.

BELTRAIDE is the Government's investment and export promotion agency. The laws, rules, procedures and report requirements related to investors differ depending on the nature of the investment. Nonetheless, BELTRAIDE provides advisory services and other related



information for foreign investors relating to procedures for doing business in Belize and incentives available to qualifying investors. Further information is available at the [BELTRAIDE website](#).

### **Competition and Anti-Trust Laws**

Belize does not have any particular laws governing competition, but there are attempts to limit outside competition in certain industries (such as food and agriculture) by levying high import duties.

In 2015, a local Belizean importer imported rice into Belize from Guyana in direct competition with local rice producers. The shipment was denied by the agricultural health authorities, initially because they alleged that the safety/ sanitary requirements could not be verified. The Supreme Court later ruled in favor of the government authorities and decided that the importer violated local laws in failing to obtain the required permit prior to importation.

### **Expropriation and Compensation**

There have been several cases in which the government, under its right of eminent domain, appropriated land that was private property, including land belonging to foreign investors.

There were no new expropriation cases in the current year. However, there are allegations that several previous expropriations were done for personal or political gain. Belizean law requires that the government assess and compensate according to fair market value. These types of expropriation cases can take many years to settle and there are numerous cases where there was no compensation or compensation is still pending.

The process to land title is flawed and, though the government recognizes this and is working with the World Bank to improve its land title system, there are cases of private as well as government manipulation of land title involving foreigners and Belizeans.

Since 2008, the Government of Belize engaged in the nationalization of the major telecommunications (BTL) and electricity companies (BEL), which, when combined with legislation on arbitration, resulted in a decrease in the flow of foreign direct investment.

While the government resolved its dispute with the BEL in 2015, it still has not resolved the dispute with the previous owners of the BTL. Since it first nationalized BTL in 2009, the government has been in multiple court cases directly and indirectly related to the company. Judgments were issued by the CCJ, the London Court of Arbitration, the Permanent Court of Arbitration in The Hague and the U.S. district and circuit courts.

ermanent Court of Arbitration.

Since July 2015, the U.S. courts upheld four arbitration judgments against the government including one related to the BTL nationalization. Even if U.S. courts ultimately uphold the arbitration judgments, enforcement action would need to proceed through Belizean courts and would likely be appealed up to the Caribbean Court of Justice.

## **Dispute Settlement**

### **ICSID Convention and New York Convention**

The Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) was extended to Belize by an act of the United Kingdom when Belize was a colony. After independence, Belize did not ratify the Convention. Nevertheless, Part IV of Belize's Arbitration Act (Chapter 125) of the Laws of Belize specifically addresses the New York convention and empowers domestic courts to enforce awards under the Convention. A 2013, judgment of the Caribbean Court of Justice restored Part IV of the Arbitration Act for the enforcement of arbitral awards.

Belize signed on to but not yet ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ([ICSID convention](#)).

### **Investor-State Dispute Settlement**

Please see Section 3a above- Bilateral Investment Agreements and Taxation Agreements.

Belize is also a member of the Caribbean Community (CARICOM) Single Market and Economy as well as a party to a regional Economic Partnership Agreement (EPA) between CARIFORUM and the European Union (EU). Both these regional arrangements make provisions for the settlement of investor – state disputes.

Since Belize is not a party to any BIT or FTA with the United States, investment disputes involving U.S. persons are taken either before the courts or before international arbitration panels.

Local courts would recognize and enforce foreign arbitral awards against the government but these would likely be adjudicated to the Caribbean Court of Justice (CCJ), Belize's highest appellate court.

### **International Commercial Arbitration and Foreign Courts**

Belize's Arbitration Act allows the Supreme Court of Belize to support and supervise dispute settlement between private parties by arbitration. In 2013, the Supreme Court introduced the process of court connected mediation as an alternative method to dispute settlement between private parties and as a means of reducing costs and duration of litigation.

There are numerous instances of cases involving State Owned Enterprises (SOEs) which went before domestic courts with ruling both in favor and against the SOE. These would likely be adjudicated to the Caribbean Court of Justice.

### **Bankruptcy Regulations**

Chapter 244 of the Laws of Belize (Bankruptcy Act) provides and allows for bankruptcy filings. The Act provides for the establishment of receivership, trustees, adjudication and seizures of the property of the bankrupt. The court may order the arrest of the debtor and seizure of assets and documents in the probable event the debtor will flee or avoid payment to creditors. The Act also provides for imprisonment on conviction of certain specified offenses. The Director of Public Prosecutions may also institute prosecution proceedings for offenses emanating or related to the bankruptcy proceedings.

## **Industrial Policies**

### **Investment Incentives**

The legal framework authorizing and providing investment incentives include: the Fiscal Incentives Act, the Export Processing Zone Act, the Commercial Free Zone Act, the International Business Companies Act, the Retired Persons Incentives Act, the Trusts Act, the Offshore Banking Act, and the Gaming Control Act.

In 2016, Government of Belize, with the support of the Commonwealth Secretariat, completed review of existing Fiscal Incentives, Export Processing Zones, and Commercial Free Zones. Potential investors should be aware of this ongoing process when discussing investment concessions.

Regulations require that incentives granted to an enterprise be awarded based on the investment's socioeconomic contributions to the Belizean economy: employment creation, transfer of skills and technology, and foreign exchange earnings or savings. All approved projects must benefit the public and must fit within the government's overall development plan.

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

The Export Processing Zone (EPZ) Act, which is administered by the Ministry of Economic Development, was designed to attract local and foreign investments to boost production for export markets. Activities targeted by this incentive include manufacturing, non-traditional agricultural products, processing, assembly, and services, including call centers. Approved companies in this portfolio are treated as being outside national customs territory by benefiting from exemptions from full import and export duties, capital gains taxes, property and land taxes, dividend taxes, value-added taxes, trade turnover taxes, foreign exchange taxes, transfer taxes, as well as excise, sales, and consumption taxes. The program allows a tax holiday period of 20 years, with an option to extend and deduct losses from profits following the tax holiday period. Companies are allowed to open foreign currency bank accounts, and are exempted from import and export licensing requirements, resulting in no restrictions on the importation of raw materials or on the exportation of finished products. The program also allows for the sale, lease, or transfer of goods and services within an EPZ, Customs inspections in the zone for expediency, work permits at no cost for all professional and technical staff, and, if necessary, authorizing up to a 20 percent foreign workforce. A Commercial Free Zone (CFZ) is a specifically designated area for the conduct of business operations, including, but not limited to, manufacturing, commercial offices, insurance services, banking and financial services, offshore financial services, professional or related services, processing, packaging, warehousing, and the distribution of goods and services. Belize currently has two CFZs: one on the northern border with Mexico and a small zone on the western border with Guatemala. Goods originating from these free zones can only be sold into Belize's national customs territory after the necessary duties and taxes have been assessed and paid. The Commercial Free Zone Management Agency (CFZMA), sanctioned by the government of Belize, monitors and administers the free zones. Incentives include exemptions from import duties, income tax, taxes on dividends, capital gains tax, or any new corporate tax levied by the Government during the first 10 years of operation. In addition, all imports

and exports of a CFZ are exempt from all customs duties, consumption taxes, excise taxes, or in-transit taxes, except those destined for or directly entering areas subject to the national customs territory. Additionally, CFZ businesses incurring a net loss over the five-year tax holiday may deduct losses from profits in the three years following the tax holiday period.

### **Performance and Data Localization Requirements**

The Fiscal Incentives Act awards a qualified entity a development concession during the start-up or expansion stages of a business in order to foster its growth by offsetting custom duties. According to [BELTRAIDE](#), two programs are offered under this Act, namely the Regular Program for investments exceeding USD150,000 and the Small and Medium Enterprise (SME) program for investments of less than USD150,000. In general, the legal framework allows for full Customs Duties exemptions and Tax Holidays for up to 15 years for approved enterprises. According to the Act, this is renewable for another 10-year term, totaling 25 years for companies engaged in agriculture, agro-industrial products, mariculture (aquaculture), food processing, and manufacturing with export operations that are labor intensive.

The length and extent of a development concession are determined by several factors, including: (a) the extent of local value added; (b) the projected profitability of the enterprise; (c) foreign exchange earnings or savings; (d) transfer of skills and technology; and (e) new employment opportunities.

Occasionally, foreign investors complain that these investment promotions are rarely as open, effective, or easy to obtain as they appear on paper. For example, the Fiscal Incentives Act allows a tax holiday, however, only in rare cases within the past 10 years was this tax holiday considered during the approval process.

The Fiscal Incentives SME Program is aimed at smaller enterprises with a minimum of 51percent Belizean ownership. The SME Program offers the same benefits of the Regular Program, with the exception of the allowable timeframe for duty exemptions. Under this program, companies are allowed a maximum of five years of development concessions, with the expectation that after this period, companies can mature into the larger Regular Program.

The International Business Companies (IBC) Act allows international investors to establish offshore companies in Belize. These entities are not allowed to own an interest in real property in Belize or to conduct business in banking or insurance with Belizean residents. However, they benefit from tax exemptions on all income; dividends paid to persons resident in Belize or elsewhere; interest, rent, royalties, and compensation paid to persons who are not residents of Belize; and capital gains realized on shares, debt obligations, or other securities of an IBC by persons who are not resident in Belize. There are no currency restrictions for banking transactions, and no restrictions on citizenship or residency requirements for directors, officers, or shareholders. All IBCs must be registered through an authorized IBC agent of the [International Business Companies Registry](#).

The Belize Tourism Board offers the Retired Persons Incentive Act, which was designed to benefit retired persons over 45 years of age. To qualify, applicants need proof of income not less than USD 2,000 per month through a pension or annuity generated outside of Belize. An approved Qualified Retired Person is allowed to import personal effects and an approved means of transportation free of all customs duties and taxes. All income generated outside of

Belize are also free of taxes. A timeframe of one year is given to import all personal and household effects into Belize, using multiple shipments as necessary. Duty and tax-free importation of an automobile, light aircraft (less than 17,000 kg), or boat is allowed. Vehicles may only be replaced at intervals exceeding three years. Effects and items imported under this program can only be sold, given away, or leased after the appropriate payment of applicable duties and taxes.

For more information, visit the Qualified Retired Persons [website](#).

## **Protection of Property Rights**

### **Real Property**

The Preamble of the Constitution of Belize preserves the right of the individual to the ownership of private property and the right to operate private businesses. Private entities, whether foreign or local, have the right to freely establish, acquire, and dispose of interests in property and business enterprises. Generally, the country has no restrictions on the limits of foreign ownership and control; however, foreign investments in Belize must be registered at the Central Bank of Belize (CBB). See above “Limits on Foreign Control and Right to Private Ownership and Establishment”

Mortgages and liens do exist and related real estate would be recorded with the registry of the Lands and Survey Department. There have been cases of land fraud, abuses and corruption in the Lands and Survey Department. Investors are strongly advised to do their due diligence prior to purchasing property.

Foreign and/or non-resident investors are not allowed to acquire national lease property but may acquire titled privately-owned property. In late 2016, stakeholders involved in real estate transactions began to complain that the Lands Department has started stricter enforcement of existing Central Bank regulations requiring Central Bank approval for real estate transactions between residents and non-residents and those real estate transactions be conducted in Belize dollars. This further delayed the processing of land title transfers and has added another of bureaucracy to the process.

There are three different types of titles to freehold property in Belize: Deed of Conveyance, Transfer of Certificate of Title, and Land Certificate. Leasehold property from the government is available to Belizeans who can then apply for conversion to a fee simple title. The government is in the process of re-registering all freehold lands to achieve a uniform system of nationwide land ownership.

Squatters' rights are only enforceable by order of the Supreme Court after having proven uninterrupted possession for at least 30 years on National and Conveyed lands or for at least 12 years on registered lands.

### **Intellectual Property Rights**

Belize fulfilled its obligation under the WTO to implement the Agreement on Trade-Related Aspects of Intellectual Property, (TRIPS). The Belize Intellectual Property Office ([BELIPO](#)) was established to administer intellectual property rights (IPR) laws, and it functions as Belize's

national intellectual property registry. Its mandate covers the protection of copyrights, industrial designs, patents, trademarks, new plant varieties, and layout designs (topographies) of integrated circuits.

In practice, however, despite the IPR laws and administrating office, enforcement is weak to non-existent. Illegally copied CDs and DVDs are widespread and continue to be marketed throughout the country. Local cable companies and television stations broadcast content pirated from U.S. television networks and cable channels, as well as sports programming and movies.

There have been no new IP related laws and regulations enacted in the past year.

The Customs Department of Belize does track seizures of counterfeit goods but does not properly document IPR and contraband seizures. The Department faces challenges since much of its processes are still done manually and its operations are highly decentralized. It is seeking to establish a centralized Customs and Excise database to manage its operations.

In March 2016, there was a seizure of USD 2.9 million worth of goods from Guatemala destined for the Corozal Free Zone. IPR violators use Belize's two Free Trade Zones for money laundering and contraband smuggling.

Belize's IPR rights must be registered and enforced in Belize, under local laws. In general, IPR protections are enforced through civil proceedings and must be initiated by the IPR right holders.

Belize is not listed in the 2017 USTR's Special 301 report and neither is it listed in the 2017 notorious market report.

For additional information about national laws and points of contact at local IP offices, please see World Intellectual Property Organization's country profiles at their [website](#).

## **Financial Sector**

### **Capital Markets and Portfolio Investment**

Belize's financial system is small with limited to non-existent foreign portfolio investment transactions. The major participants in the domestic financial market include the domestic commercial banks and the Central Bank. Five commercial banks operate domestically, of which two are local subsidiaries of international banks. There are six international banks that offer banking services in foreign currencies exclusively to non-residents. Most international banks also provide corporate formation services to register International Business Companies as well as the establishment of trusts.

Ten credit unions operate as non-profit cooperatives that function as savings banks, offering mainly savings accounts and consumer, education and residential loans to their shareholders. There is also a state-owned development bank that offers loan financing services in various sectors, including agriculture, aquaculture, tourism, eco-products, housing, education, and micro and small enterprises. To qualify for a loan from the Development Finance Corporation, an individual must be a Belizean resident or citizen, while a company must be majority 51percent Belizean owned. In September 2013, the Government of Belize opened the National

Bank of Belize. The key purpose of this state-owned bank is to provide concessionary credit to public officers, teachers, and low-income Belizeans.

Belize does not have its own stock market and capital market operations are rudimentary. Private sector participation as both suppliers and buyers of securities in the financial market is generally not significant.

Foreign investments in Belize must be registered at the Central Bank of Belize (CBB). See Foreign Currency and Remittances below. The government does not restrict payments for international transactions.

Belize has onshore and offshore financial activities. Generally, Belizean citizens and foreigners with official residency status are allowed to deposit and borrow only from onshore banks while non-residents are only allowed to use offshore banks. Exceptions may be made only with the Central Bank's explicit approval. See below Money and Banking System for further information.

Credit is made available on market terms. Despite the fact that this is regulated by the Central Bank, interest rates are largely set by local market conditions prevailing within the commercial banks.

### **Money and Banking System**

The [Central Bank of Belize](#) is responsible for formulating and implementing monetary policy focusing on the stability of the exchange rate and economic growth. Persons seeking to open a bank account must also comply with Central Bank regulations, which differed based on residency status and whether the individual is seeking to establish a local bank account or a foreign currency account. Like many countries with fixed currency rates, the Belize banking sector is split into two branches: onshore (domestic banks which cater only to residents) and offshore (international banks intended for non-residents of Belize to freely move foreign exchange in and out of the country). The GoB asserts this design is to prevent disruptions of the local economy (and the peg to the US dollar) due to large foreign exchange fluctuations.

Belize's financial system remains underdeveloped with a banking sector that may be characterized as stable but fragile. In 2016, net foreign assets of the banking system contracted due to lower export earnings, substantial payments by the government relating to arbitration settlements, and the purchase of the local branch of First Caribbean International Bank.

While all banks have current correspondent banking relations, there is still uncertainty with regard to the longevity of those relationships, delay in transactions, and fewer services being offered by the correspondent banks at higher costs.

In the last quarter of 2016, non-performing loans (NPLs) for commercial banks declined to 2.32 percent well below the five percent threshold required by the Central Bank. This was a significant loan write-offs by domestic banks approximately five times more than the previous year in an effort to clean up their balance sheet in accordance with Central Bank directives.

The largest domestic commercial bank holds approximately US \$485 million in total assets.

Foreign banks and branches are allowed to operate in the country. Two of the four commercial banks operating onshore are local subsidiaries of international banks. There are five international banks that offer banking services in foreign currencies exclusively to non-residents. All banks are subject to Central Bank measures and regulations.

In the past three years, two onshore banks had their correspondent banking services terminated along with other banks operating in the offshore banking sector. While partial services were restored with other banks, the business community identified several negative impacts of the loss of correspondent services including higher costs and longer wait times for processing wire transactions, increased obstacles in paying for imports, and tougher access to credit for import purchases. There are also reports of the emergence of a black market for foreign exchange.

Persons seeking to open a bank account must also comply with Central Bank regulations, which differed based on residency status and whether the individual is seeking to establish a local bank account or a foreign currency account.

### **Foreign Exchange and Remittances**

#### **Foreign Exchange**

There are currency controls in Belize and foreign investors seeking to convert, transfer, or repatriate funds must comply with Central Bank regulations.

Foreign investments in Belize must be registered at the Central Bank in order to facilitate inflows and outflows of foreign currency during transactions, including transfers, and repatriation of profits and dividends. Foreign investors should notify and register their inflow of funds with the Central Bank of Belize to obtain an “Approved Status” for their investment. These “Approved Status” investments will ordinarily be granted approval for repatriation of funds from profits, dividends, loan payments and interest. The Central Bank does, however, reserve the right to request evidence supporting applications for repatriation.

The Belize Dollar has been pegged to the United States Dollar since May 1976 at a fixed exchange rate of BZD 2.00 to the U.S. dollar. There are reports of shortages and delays in obtaining foreign exchange. On the black market, reports are that the real exchange rate is BZD 2.20 and that banks are charging up to BZD 2.45 for the purchase of US dollars.

#### **Remittance Policies**

There are no changes to investment remittance policies. There are currency controls in Belize. Foreign investors may repatriate their investments and profits provided that they register transactions with the Central Bank. As mentioned above, foreign investors should notify and register their inflow of funds with the Central Bank of Belize to obtain an “Approved Status” for their investment.

### **Sovereign Wealth Funds**

Belize does not have a sovereign wealth fund.



## **State-Owned Enterprises**

State Owned Enterprises (SOEs) are active in the utilities and services sectors. The GoB is the majority shareholder in the Belize Water Services Limited, the country's sole provider of water services, BEL, the sole provider of electricity services, and BTL, the largest telecommunication provider in the country.

SOEs usually engage senior government officials, and at times include members of local business bureaus and chambers of commerce, labor organizations, and quasi-governmental agencies, as a part of their management and board of directors. There is usually a board of directors that guides the direction, policies, and decisions of the SOE that ostensibly is independent, but in practice has included high ranking government officials including as high as the Vice Minister level as well as close relatives of government officials. Current and previous administrations are accused of nepotism in staffing its SOEs as well as conflicts of interest when board members or directors of SOEs are also found to be members on the boards of organizations that do business with the SOEs.

The following are the major SOEs operating in the country. Publicly available information relating to their operations are available on their website including their audited financial reports:

[Belize Telemedia Limited](#)

[Belize Electricity Limited](#)

[Belize Waters Services Limited.](#)

There are no third party market analyses sources that evaluate whether SOEs receive non-market advantages by the government. The Belize Electricity Limited and the Belize Water Services Limited are the only service providers in their respective sectors. The Belize Telemedia Services competes with one other provider for mobile connectivity and there are multiple players that provide internet and data services. All utilities are regulated by the Public Utilities Commission.

## **Privatization Program**

The GoB does not currently have a privatization program.

## **Responsible Business Conduct**

There is not a general awareness of the expectations and standards for responsible business conduct. However, many foreign and local companies engage in responsible corporate behaviors, particularly from a social perspective. Companies sponsor various areas including educational scholarships, sport related activities, community enhancement projects or entrepreneurship activities. There are no formal government measures or policies to promote RBC.

There are several agencies which seek to protect individuals and address human rights, labor rights, consumer protection, and environmental concerns. For example, the Office of the Ombudsman is responsible for investigating complaints of official corruption and abuse of

power. As required by law, the Ombudsman is active in filing annual reports to the national assembly and investigating incidents of alleged misconduct particularly of police abuses. However, it is constrained, lacks enforcement powers, encounters political pressure and has limited resources.

In the area of environment, certain projects require Department of the Environment's approval for Environmental Impact Assessments or Environmental Compliance Plans. The Department of Environment [website](#), has more information on the Environmental Protection Act, various regulations, applications and guidelines.

There are no government measures relating to corporate governance, accounting, and executive compensation standards, and the government does not factor RBC policies into its procurement decisions.

There are no NGO's, investment funds, worker organizations/unions, or business associations specifically promoting or monitoring RBC.

Belize does not have a highly developed mineral sector and would not be categorized as a conflict or high-risk country. It does not adhere to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Afflicted and High-Risk Areas. Belize's extractive/ mining industry is not highly developed and it does not participate in the Extractive Industries Transparency Initiative (EITI) and/or the Voluntary Principles on Security and Human Rights.

## **Corruption**

Belize has anti-corruption laws on its books, but these laws, which come under the purview of the Office of the Attorney General, are seldom enforced. The Prevention of Corruption in Public Life Act has not been enforced since coming into effect in 1994. This law requires public officials, such as the Governor-General and members of the National Assembly, to disclose in the Government Gazette their assets, income, and liabilities. The Act also established an Integrity Commission responsible to monitor, prevent, and combat corruption by examining declarations of physical assets and financial positions filed by public officers. The Commission is able to investigate allegations of corrupt activities, including by members of the National Assembly, Mayors and Councilors of all cities, and Town Boards. After being defunct since 2011, the Integrity Commission revived in January 2017 with the appointment of a seven-member committee nominated by both the ruling party and opposition. The Prevention of Corruption in Public Life Act criminalizes acts of corruption by public officials and includes measures on the use of office for private gain, code of conduct breaches, the use of public funds, and bribery. Section 24 of the Act covers punishment for breach, which may include a fine of up to U.S. USD 5,000, severe reprimand, forfeiture of property acquired by corruption, and removal from office. The last report of the integrity commission was published in 2005. No cases under this Act have ever led to prosecution.

The Money Laundering and Terrorism (Prevention) Act identifies "politically exposed person" to include family members or close associates of the politically exposed person.

The policies and procedures for government procurement are outlined in Belize Stores Orders and Financial Orders issued by the Ministry of Finance. There is a Manual for the Control of

Public Finances which provides the framework for the registration and use of public funds to procure goods and services.

Despite these legislative and regulatory measures, many businesspeople complain that both major political parties can and do practice partisanship bias that affects businesses in terms of receiving needed licenses, winning government contracts for procurement of goods and services, and the granting of government land to private owners. Some middle-class citizens and business owners throughout the country have complained of government officials, including police and others, soliciting bribes.

Private companies are not required to establish internal codes of conduct. There are a limited number of non-governmental institutions that monitor government activities; two of them are Citizens Organized for Liberty through Action (COLA) and the National Trade Union Congress of Belize (NTUCB). The first is comprised of concerned private citizens, and the latter is an umbrella organization comprised of the various Belizean workers' unions. Environmental NGOs and the Belize Chamber of Commerce and Industry often make statements regarding government policy as it affects their respective spheres of activity.

Private companies do not use internal controls, ethics or compliance programs to detect and prevent bribery of government officials.

In June 2001, the GoB signed the Organization of American States (OAS) Inter-American Convention on Corruption, which requires the revival of the Committee on Public Probity and Ethics to review implementation of the Convention.

In December 2016, Belize acceded to the United Nations Convention Against Corruption (UNCAC) amid public pressure and demonstrations from the teachers' unions. The accession to the Convention has been viewed a milestone step towards implementing measures to fight against corruption in public life, though the degree to which it will actually be implemented remains to be seen.

Bribery is officially considered a criminal act in Belize, but laws against bribery are rarely enforced. There are complaints of government corruption particularly in issues related to customs, land and immigration transactions. There are reports of requests for bribes from customs officials to facilitate lower assessments of goods for importation and thus lower import duties. Some businesses and residents in the country have alleged that some officials demand payoffs if an inspection reveals a breach of fisheries laws. For example, restaurants and resorts carrying under-sized lobsters and conch are subject to court summons and a fine, but payoffs allegedly circumvent court charges or payment of fines.

#### Resources to Report Corruption

Contact at government agency or agencies are responsible for combating corruption:

Office of the Ombudsman

91 Freetown Road

Belize City

Belize

T: +501 223-3594

E: [ombudsman@bti.net](mailto:ombudsman@bti.net)

## **Political and Security Environment**

Belize traditionally enjoyed one of the most stable political environments in the region, having held peaceful and transparent democratic elections since it attained independence on September 21, 1981. The two major political parties trade leadership frequently.

Incidents including damage to projects or installations affecting investments in Belize are rare. In November 2014, the Belize Sugar Cane Farmers Association (BSCFA) and American Sugar Refineries (ASR) failed to reach a contract agreement before the harvesting season. While the dispute was eventually resolved, there were some reports of fields being burned and farmers being threatened for breaking ranks with BSCFA.

There is some political insecurity as a result of neighboring Guatemala's territorial claim on a large part of Belize that has existed for almost two centuries. In 2008, both countries signed a special agreement, with the facilitation of the OAS, on a process that could present the matter to the International Court of Justice (ICJ). The process which called for the two countries to hold simultaneous referenda on October 6, 2013, never materialized as Guatemala withdrew from the referendum. Since then, despite efforts to increase confidence building measures between the two countries, there continue to be incursions by Guatemalan citizens into Belize's territory resulting in deforestation, illegal logging and extraction of exotic hardwoods, illegal harvesting of xate palm leaves (a decorative plant used in flower arrangements), panning for gold, poaching of animals, and agriculture by Guatemalans. These illegal activities led to confrontations between Guatemalan poachers and Belize law enforcement authorities on Belizean territory. Tensions escalated between both governments in April 2016, when a 13-year-old Guatemalan was killed during a Belizean patrol on the Belizean side of the adjacency zone. In 2016, tensions also escalated along the Sarstoon River which forms the disputed southern border. Guatemala asserted rights over the Sarstoon, increased its naval presence in the area and detained or questioned Belizean citizens wishing to navigate the river.

## **Labor Policies and Practices**

According to the Statistical Institute of Belize (SIB), as of September 2016, the population is an estimated 377,968 persons of which 162,264 were in the labor force. As a result of influx into the labor market, the rate of both unemployment and the underemployment rose by one and three percent respectively. Of the 5,800 persons entering the work force, there were almost three times as many women (4,500) entering the work force than men (1,300). Still, women were more than twice as likely to be unemployed that their male counterparts. The female unemployment rate rose by 1.9 percent from 15.7 in September 2015 to 17.6 percent in September 2016.

The Ministry of Labor is charged with enforcing the minimum wage. In May 2012 the national minimum wage was increased to BZD 3.30 (USD 1.65) per hour.

Belize is both a receiving and a sending country for migrant workers. As a receiving country, Belize does not have a structured temporary employment program for migrant workers, but it

has a procedure and system of issuing work permits. The majority of work permits that are approved are for Central Americans seeking seasonal employment in the agricultural industry, particularly in the banana, citrus and sugar industries. Additionally, a number of Caribbean professionals applied for and obtained a Certificate of Recognition of CARICOM Skills Qualification which allows them to work in Belize under the Caribbean Single Market and Economy's free movement of skilled labor initiative in the Caribbean.

The labor force is largely unskilled with almost 52 percent of employed persons engaged in sales or other elementary work occupations. The education system continues to be poorly equipped in preparing labor force entrants to become entrepreneurs and adapt to a technology-driven global environment.

Nonetheless, there are several agencies seeking to provide soft skills needed to enter the labor market. BELTRAIDE hosts on-going trainings for small and micro enterprises on a wide range of basic skills related to customer service, business development and management. Additionally, more targeted training is conducted to meet employer demand for example in the BPO and tourism related sectors.

Foreign investors who have a development concession are permitted to bring in skilled personnel to complement their local labor force, provided that appropriate training programs for Belizean nationals are established. Most of the unskilled or semi-skilled workers in commercial agriculture are recent immigrants or migrant workers from neighboring Spanish-speaking countries.

Employers in the agriculture sector tend to use temporary workers even for jobs that are not temporary in nature. These jobs may be opened to workers from Central American countries and may be attributed to a shortage of local labor force in the rural areas where these jobs are concentrated. Workers permits and other immigration related documents are processed by a labor committee which has inter-ministerial representation from various Ministries including those of labor, immigration and human development.

In general, there are no restrictions on employers adjusting their labor force in response to fluctuating market conditions. Employers are flexible in offering salary increases, which are normally justified based on cost of living and prevailing practice consideration. Severance payment is subject to local labor law, the Labor Amendment Act of 2011.

The Labor Amendment differentiates between layoffs (voluntary termination and redundancy) and firing (dismissal). In the cases of voluntary termination and redundancy, the law provides for an appropriate notice period to be provided, payment in lieu of notice, severance etc. In the case of redundancy, the employer must notify where applicable the recognized trade union or workers' representative as well as the Labor Commissioner.

The law also provides for dismissal by the employer but distinguishes between termination for "good and sufficient cause," "termination for misconduct," "unfair dismissal," "constructive dismissal where the employer's conduct makes it unreasonable to work," and "summary dismissal where the employee commits an act of gross misconduct."

The government provides some assistance to unemployed persons who represent marginalized sectors of the community, e.g. single women, single mothers, and young unemployed persons. These services are not mandated by law.

Labor laws are not generally waived to attract or retain investment. There are no additional/different labor law provisions for Economic Processing Zones or Free Zones operating in Belize.

Where employees are unionized, employers must refer to the laws relating to the operation of unions, namely the Trade Union and Employee's Organizations Act and the Settlement of Disputes in Essential Services Act, as well as the terms of existing collective bargaining agreements between the employer and unions.

Belize has nine trade unions and an umbrella organization, the National Trade Union Congress of Belize (NTUCB). Belize ratified 50 International Labor Organization (ILO) conventions, of which 45 are in force, including Convention 182 against the worst forms of child labor.

Trade Unions are independent of the government and employers both in practice and in law. The Ministry of Labor recognizes unions and employers' associations after they are registered. Trade Union laws establish procedures for the registration and status of trade unions and employers' organizations and for collective bargaining. Unions are common in the public sector (teachers, general public servants), the social security board, the utility sectors (water, telecommunications and electricity) and port stevedores.

The law allows authorities to refer disputes involving public and private sector employees who provide "essential services" to compulsory arbitration, prohibit strikes, and terminate actions. The national fire service, postal service, monetary and financial services, civil aviation and airport security services, and port authority pilots and security services are deemed essential services outside of the International Labor Organization definition.

During the last year, there were no strikes that posed a risk to either local businesses or foreign investments. Nonetheless in October 2016, the Belize National Teacher's Union (BNTU) engaged in an 11 working day strike which started as a demand to comply with agreed salary increase and evolved into demands on the government to put in place measures to reduce corruption and promote good governance. Overall, the action was hailed as a success for the unions whose voices were joined with those of the opposition party, the Belize Chamber of Commerce and Industry, and the general public.

Belize does have laws and regulations relating to international labor standards. There is also a system in place for labor inspectors to advocate on labor related concerns and complaints as well as to visit and inspect business facilities to ensure adherence to local labor laws.

There are several gaps identified in relation to international labor standards. Firstly, Belize's legislation does not address a situation in which child labor is contracted between a parent and the employer. While there is need for better data, it does not seem likely that the penalties, remediation, and inspections sufficiently deter violations. The penalty for employing a child below minimum age is a fine not exceeding USD10 or imprisonment not exceeding two months. Additionally, while there are laws that prohibit a wide range of discrimination in the work place, they are not effectively enforced and do not explicitly provide protections for

persons with disability or against discrimination related to sexual orientation and/or gender identity. Finally, there is anecdotal evidence that certain vulnerable sectors, particularly undocumented persons, young service workers, and agricultural laborers, were regularly paid below the minimum wage.

There were no labor related laws or regulations enacted during the last year. The passage of an Occupational Health and Safety Bill has been delayed for a number of years now due to lack of consensus between tripartite stakeholders representing the government, private sector and unions.

## OPIC and Other Investment Insurance Programs

OPIC was involved in two projects in Belize, one in 2002 and the other in 2006. While Belize qualifies for OPIC support under the Clean Energy Security Initiative, there are as yet no OPIC related projects either in the pipeline or being implemented. The country is currently benefiting from two United States Trade and Development Agency USTDA projects to investigate the potential of adopting clean energy technologies by the utilities sector. There is an OPIC Agreement between Belize and the United States, which predates Belize's independence.

Belize is a member of the Inter-American Development Bank (IDB), Caribbean Development Bank, the Multilateral Investment Guarantee Agency (MIGA) of the World Bank, and the Central American Bank for Economic Integration (CABEI).

## Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data		Host Country	USG international statistical source	Year	Amount	or USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Host Country	Gross Domestic Product (GDP)	2016	\$1.86	2015	\$1.753	<a href="#">World Bank</a>
Foreign Investment	Direct	Host Country	USG international statistical source	Year	Amount	or USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other

<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	N/A	N/A	N/A	N/A	<a href="#">Bureau of Economic Analysis</a> data
<b>Host country's FDI in the United States (\$M USD, stock positions)</b>	N/A	N/A	N/A	N/A	<a href="#">Bureau of Economic Analysis</a> data

Table 3: Sources and Destination of FDI

Statistics on foreign direct investments in Belize, by country of origin are unavailable, including the total invested by U.S. investors. There are a number of successful and long-term U.S. owned businesses in Belize, including in sectors such as agro-processing, energy, timber, agriculture, tourism, hotels and other service sectors. FDI inflows are traditionally concentrated primarily in the tourism related construction, real estate and agriculture sectors.

Foreign portfolio investments, such as bank deposits, mutual funds, bonds and other financial securities, require the approval of the Central Bank. Approval is based on the individual substantial economic interest in Belize.

Direct Investment from/in Counterpart Economy Data

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

Inward Direct Investment			Outward Direct Investment		
Total Inward	Amount	100%	Total Outward	Amount	100%
N/A			N/A		
N/A			N/A		
N/A			N/A		
N/A			N/A		
N/A			N/A		

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment



Data is unavailable for Belize.

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Portfolio Investment Assets

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Top Five Partners (Millions, US Dollars)

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Total	Equity Securities		Total Debt Securities					
All Countries	Amount	100%	All Countries	Amount	100%	All Countries	Amount	100%
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		

**Contact for More Information on the Investment Climate Statement**

Philip Folkemer (until September 2017)

Political and Economic Chief

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(501) 822 4011 Ext 4197

[belmopancommercialservices@state.gov](mailto:belmopancommercialservices@state.gov)

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Belmopan, Belize

(501) 822 4011 Ext 4115

[belmopancommercialservices@state.gov](mailto:belmopancommercialservices@state.gov)

# Trade & Project Financing

## Methods of Payment

Letters of Credit are the most common form of payment arrangement used by importers in Belize. There are no credit rating agencies operating in country. Local collection agencies operate nationwide and may operate on behalf of the utility companies, town and city councils and property tax collection.

In October 2016, the [Central Bank of Belize](#) launched the Automated Payment and Securities Settlement System (APSSS). The system connects financial institutions in a local network to banks and other authorized institutions to make electronic payments quickly, safely, and securely anywhere in Belize. This national payment system links financial institutions payments and securities settlements systems and allows for:

- Automated Clearing House (ACH) for processing of retail (small value) transactions
- Real Time Gross Settlement (RTGS) for large value transactions
- Securities Settlement System (SSS), and updated legal and regulatory framework.

Non-cash payment instruments include checks, debit cards, credit cards, and direct credits. Three main electronic payment mechanisms are used in Belize, including the POS and ATM networks that facilitate payments by debit card and credit cards; direct credit facilities to make bulk payments such as salaries and pension; and online bill payment facilities. MasterCard and visa are widely accepted and to a lesser extent American Express.

Persons seeking to open a bank account must also comply with Central Bank regulations, which differed based on residency status and whether the individual is seeking to establish a local bank account or a foreign currency account.

## Banking Systems

According to the Central Bank of Belize (CBB), Belize's financial system is small, consisting of five domestic commercial banks (with total assets of approximately US \$18.6 billion for 2015), six international banks, a mutual fund (unit trust), fourteen credit unions, and seventeen insurance companies nationwide. Belize has onshore and offshore financial activities. Generally, Belizean citizens and foreigners with official residency status are allowed to deposit and borrow only from onshore banks while non-residents are only allowed to use offshore banks. Exceptions may be made only with Central Bank's explicit approval. The Central Bank deems the two separate systems and currency controls necessary to limit the co-mingling of foreign assets with the domestic system in order to prevent disruptions of the local economy (and the peg) due to large foreign exchange fluctuations.

The Central Bank of Belize (CBB) regulates the liquidity and cash reserve requirements, and monitors interest rates of the commercial banks.

Credit is made available on market terms. Even though the CBB regulates interest rates, overall lending rates remain relatively high. The average personal and commercial lending rates were

11.63% and 9.51% respectively at the end of December 2016. The weighted average interest rate at the end of December 2016 was 9.66% and at the end of December 2015 was 10.03%.

## **Foreign Exchange Controls**

In order to pay for goods and services procured outside of Belize in a foreign currency, a “Foreign Exchange Permit” must be obtained from authorized dealers, among them: commercial banks, money transfer institutions, the Ministry of Finance, or directly from the [CBB](#).

Occasionally there are shortages of foreign currency in the banking system, which can result in payment delays for international transfers and transactions. However, foreigners and locals, with the proper documentation from the CBB, are allowed to access foreign exchange directly from the commercial banks.

The CBB’s approval is required for businesspeople or firms wishing to secure a loan from outside Belize that involves a foreign currency, and for businesspeople or firms to service repayment of the loan.

On July 13, Government of Belize complied with its first tranche payment to the Ashcroft Alliance as previous owners of the nationalized Belize Telemedia Limited. This payment was in accordance with the arbitration judgment of the Permanent Court of Arbitration in the case of Dunkel International Investment Limited and the Government of Belize. Immediately following GoB’s payment, the Ashcroft Alliance once again sought legal recourse, this time before the Caribbean Court of Justice, challenging that amount paid was not in accordance with a previously negotiated settlement agreement. In this regard, they argue that GoB still has outstanding US \$70 million in foreign US currency payments. On July 22, 2016, the Governor of Belize’s Central Bank issued a letter to Belize’s Financial Secretary outlining that to facilitate any further foreign currency payments for this purpose would “be destructive to the economy of Belize.” The Governor emphasized the role of the Central bank to protect Belize’s foreign currency peg, to balance the foreign exchange needs of GoB as well as those of the private sector. He noted that the current demand for reserves is approximately US \$193 million. The demand for reserves needed to satisfy the Ashcroft demand would take Belize’s foreign reserves to crisis levels.

Officially, no person, other than authorized dealers and depositories, may retain any foreign currency in their possession without the consent of the CBB, though in practice U.S. dollars are widely used and accepted.

Authorized dealers are allowed to sell foreign currency up to \$3,000 for private travel and up to \$10,000 for business travel per calendar year; requests in excess of these amounts must be approved by the Central Bank of Belize.

Exporters are required to register their exports with the CBB, guaranteeing delivery of their foreign exchange earnings.

Authorized dealers may authorize payments for imports, where goods are paid for through letters of credit or bank collection. They may also authorize payments for imports against copies of invoices and customs entries, where the documents show that the goods were obtained on credit.

Authorized dealers may also approve individual prepayments up to a maximum of \$1,000, in each case, on presentation of the original pro forma invoice and where payment is to be made directly to the supplier.

All other applications for the prepayment of imports should be forwarded to the CBB accompanied by a copy of the pro forma invoice certified by the importer or his/her agent and by evidence that such advance payment is a condition of the contract. In the absence of such documentary evidence, a declaration by the supplier that the goods will be dispatched immediately on receipt of advance payment is needed.

## **US Banks & Local Correspondent Banks**

Belize's economy is still recovering from the shock that was triggered by the "de-risking" by global banks leading to the loss of the correspondent banking relationships. Since early 2015, two onshore banks had their correspondent banking services terminated along with other banks operating in the offshore banking sector. While all banks have current correspondent banking relations, there is still uncertainty with regard to the longevity of those relationships, delay in transactions, and fewer services being offered by the correspondent banks at higher costs. The Prime Minister publicly called the correspondent banking situation "stable but fragile."

There are currently no U.S. banks operating in the Belize market and ExIm bank does not offer any country specific programs in Belize.

## **Project Financing**

International development agencies, such as the World Bank, the Inter-American Development Bank, and the Caribbean Development Bank provide funds for development projects in Belize. The European Union and the Department of International Development (DFID) are other key sources of funds for developmental projects in Belize. These projects have generally been aimed at alleviating poverty and improving good governance, public health, education, tourism, solid waste management, and major infrastructure for buildings, roads and ports.

## **Financing Web Resources**

[Export-Import Bank of the United States](#)

[Overseas Private Investment Corporation \(OPIC\)](#)

[US Trade and Development Agency](#)

[Small Business Administration's Office of International Trade](#)

[USDA Commodity Credit Corporation](#)

[U.S. Agency for International Development](#)

[Commercial Liaison Office to the World Bank](#)

[Commercial Liaison Office to the Inter-American Development Bank](#)

[Central Bank of Belize](#)

[Inter-American Development Bank](#)

[Caribbean Development Bank](#)

[World Bank](#)

[Belize Chamber of Commerce and Industry](#)

[American Chamber of Commerce in Belize](#)

# **Business Travel**

## **Business Customs**

Foreign businesspeople should not expect to find their Belizean counterparts in suit and tie, but rather business casual for the conduct of official business. Appointments are preferred and punctuality is encouraged and appreciated in business settings.

For more information on visiting Belize, its customs, attire, recreational activities, and maps, please visit the Belize Travel [website](#).

## **Travel Advisory**

Detailed and updated travel information on Belize is available through the [U.S. Department of State Consular Information Sheet](#).

## **Visa Requirements**

All U.S. citizens must have a U.S. passport valid for the duration of their visit to Belize. U.S. citizens do not need visas for tourist visits of up to thirty days, but they must have onward or return air tickets and proof of sufficient funds to maintain themselves while in Belize.

Visitors for purposes other than tourism, or who wish to stay longer than 30 days, must obtain visas from the Government of Belize. For a list of fees applicable during visits the Belize Travel [website](#).

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

[State Department Visa Website](#)

[United States Visas.gov](#)

[Embassy Belmopan, Belize](#)

## **Currency**

The Belize dollar is pegged at \$2 Belize = \$1 USD. The U.S. dollar is readily accepted at most places of business. Traveler's checks and credit card payments are also accepted but would require valid identification to be presented. ATMs are also available across the country to facilitate cash transactions.

## **Telecommunications/Electric**

The telecommunications service providers in Belize charge some of the highest rates in the region. Land line telephone and internet service is relatively good. Voices over Internet Protocol (VoIP) services are available as well. However, the cost of internet in Belize is higher than other Caribbean nations.

Cellular phone service is limited primarily to urban areas. Poor reception can be experienced travelling through the hills on the Hummingbird and Southern highways, as well as through

heavily forested and rural areas. Mobile internet is available on cellular phones. In addition, several hotels offer free wireless internet, while others charge a fee.

The voltage in Belize is 110 V and the plugs used are B or G.

## **Transportation**

International air transportation connections are relatively good between the United States and Belize City, with direct flights to Atlanta, Charlotte, Dallas, El Salvador, Houston, Newark, and Florida. Since late 2015, Southwest airlines and Copa commenced direct flights to Belize from Houston, Fort Lauderdale and Panama respectively.

Marine ports in Belize City and Big Creek in Southern Belize handle regularly scheduled commercial cargo from the U.S. and the UK. The Belize City port suffers from inefficiencies such as having only one berth and frequent tension with stevedores and others. There are two private cruise ship port facilities, one in Belize City and another on Harvest Caye in Southern Belize.

Traveling by road in Belize can be challenging. Belize's highways are two-lane paved roads, many with no shoulder but with pedestrian and bicycle traffic. Most lack adequate markings or reflectors. Even in urban areas, few streets have lane markings, leading many motorists to create as many lanes as possible in any given stretch of road. Portions of the country's highways become very slick when wet. Reducing travelling speed during these conditions is highly recommended. There are four (4) major highways in Belize and a total of 4,515 km of roads, of which only 791 km are paved. Road and infrastructure improvements are currently a national priority with several major road construction, expansion, and safety projects currently underway. This has led to ongoing improvements to the major streets and roads.

Pedestrians, bicyclists, and vehicles without functioning lights can pose increased risk of driving during night time. Belize is currently implementing a Road Safety Project that will improve inter alia, road safety infrastructure; accident emergency services; road safety enforcement in the municipalities and on the highways; public education and awareness.

The least expensive way to get around in Belize is by public transportation, which is still relatively expensive for the region. Buses and vans are in poor condition and lack safety equipment and are often slow. There are, however, several auto rental firms, including American franchises, such as Avis, Budget, Hertz, and Thrifty.

In addition, Belize has inexpensive water taxis that travel between the mainland and all major island tourist destinations. There are two major commercial domestic air transportation providers that fly within Belize, one of which also offers flights to destinations in neighboring countries.

## **Language**

The official language is English and is widely spoken. Spanish is the second most common language in Belize. Locals often speak in Belizean Kriol, which is derived from the English language.

## **Health**

Medical care for minor conditions is generally available in urban areas. Trauma care or advanced medical care is limited, even in Belize City; it is extremely limited or unavailable in rural areas. Serious injuries or illnesses often necessitate evacuation to another country. Americans are urged to consult with their medical insurance company prior to traveling to Belize to confirm whether their policy applies overseas and whether it will cover emergency expenses, such as a medical evacuation. Tourists are strongly encouraged to obtain medical insurance that would pay for medical treatment and medical evacuation before traveling to Belize.

Caution should, of course be exercised, but in general, Belize is safe for travelers in terms of general pollution and hygiene—for example most water is potable, air is free of pollution except for a few weeks in spring when crops and brush are burned to clear land.

While in Belize, tourists are cautioned to being vulnerable to vector borne diseases including dengue, chikungunya, and Zika. There is little risk of acquiring malaria in Belize City; however, malaria is endemic to rural Belize. Chloroquine (Aralen) is the drug of choice for malaria prophylaxis. In July 2016, the Ministry of Health in Belize confirmed eight cases of Zika in Belize. No immunizations are required to visit Belize. The country suffers from the highest rate of HIV infection in Central America. For further information please see the Center for Disease Control [website](#).

## **Local Time, Business Hours and Holidays**

Belize's Standard Time is six hours behind UTC/GMT and Daylight-Saving Time is not used.

Normal business hours for the private sector are from 8:00 a.m. to 12:00 noon and from 1:00 p.m. to 5:00 p.m., Monday through Friday. Government offices follow the same schedule except on Fridays, when they close at 4:30 p.m.

Belize's holidays for 2017 are:

January 2 New Year's Day

March 6 National Heroes and Benefactors Day

April 14 Good Friday

April 15 Holy Saturday

April 17 Easter Monday

May 1 Labor Day

May 22 Sovereign's Day

September 11 St. George's Caye Day (National Day)

September 21 Independence Day

October 9 Pan American Day

November 20 Garifuna Settlement Day



December 25 Christmas Day

December 26 Boxing Day

### **Temporary Entry of Materials or Personal Belongings**

The Belize Customs Department allows temporary entry of certain items into Belize, providing that the items are not modified or transformed while in Belize. Businesspeople traveling with items such as laptop computers and exhibit materials generally do not have any difficulty in getting a temporary permit to bring these items into the country. For details visit the [Belize Customs and Excise Department](#).

### **Travel Related Web Resources**

[Belize Tourism Board – Travel Guide](#)

[State Department Visa Website](#)

[State Department Bureau of Consular Affairs](#)

[United States Embassy – Belize](#)

[Belize Customs and Excise Department](#)

[Center for Disease Control](#)